

ARADEL HOLDINGS PLC

Lagos, Nigeria

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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Corporate Information

Directors	Augustine Olorunsola	Chairman
	Adegbite Falade	Managing Director/CEO
	Adegbola Adesina	Chief Financial Officer
	Afolabi Oladele	Non-Executive Director
	Olugbenga Adetoro	Non-Executive Director
	Patricia Simon-Hart	Independent Non-Executive Director
	Kerin Gunter	Non-Executive Director
	Olusola Adeeyo	Non-Executive Director
	George Osahon	Non-Executive Director
	Mahmud Tukur	Independent Non-Executive Director
	Nnoli Akpedeye	Independent Non-Executive Director
	Ede Osayande	Non-Executive Director (Resigned on 28/05/2025)
	Ladi Jadesimi	Non-Executive Director (Resigned on 28/05/2025)
Company Secretary	Titilola Omisore	
Registration Number	191616	
Tax Identification Number	00092337-0001	
Registered Office	15 Babatunde Jose Road Victoria Island Lagos Nigeria.	
Auditor	Deloitte & Touche Civic Towers, Ozumba Mbadiwe Avenue, Victoria Island, Lagos.	
Principal Bankers	Stanbic IBTC Bank Limited Walter Carrington Crescent Victoria Island, Lagos.	
	Guaranty Trust Bank Limited Plot 635 Akin Adesola Street Victoria Island, Lagos.	
	Access Bank Plc Plot7, Block 2 Oniru Private Estate Victoria Island,Lagos.	
	Polaris Bank Limited 3 Akin Adesola Street Victoria Island, Lagos.	
	Bank of Industry Limited 23, Marina Street, Lagos Island, Lagos	
	First City Monument Bank Limited 11B Adeola Odeku Street Victoria Island Lagos.	

Corporate Information (cont'd)

Principal Bankers (cont'd)

FBNQuest Merchant Bank Limited
10 Keffi Street,
Ikoyi, Lagos

FSDH Merchant Bank Limited
5th Floor UAC House,
1/5 Odunlami Street, Lagos

Standard Chartered Bank Nigeria Limited
142 Ahmadu Bello Way
Victoria Island, Lagos

Principal Solicitors

Aluko & Oyebode
No 1 Muritala Mohammed Drive
(Formerly Bank Road)
Ikoyi
Lagos.

Akindelano Legal Practitioners
21 Military Road
Onikan
Lagos.

Bloomfield Law Practice
15 Agodogba Avenue
Parkview, Ikoyi
Lagos, Nigeria

Report of the Directors

The Directors present their report on the affairs of Aradel Holdings Plc (The Company) and its subsidiaries (together referred to as "The Group") for the year ended 31 December 2025.

1 PRINCIPAL ACTIVITIES

The Group is engaged in the exploration, development and production of oil, natural gas and petroleum products.

2 STATE OF AFFAIRS

In the opinion of the Directors, the state of affairs of the Group is satisfactory and there has been no material change after the reporting year.

3 RESULTS FOR THE YEAR

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Revenue	699,430,701	581,151,376	-	-
Profit before taxation	835 009 557	316,772,492	140,969,128	166,965,434
Taxation	(77 666 809)	(57,700,045)	-	-
Profit after taxation	757 342 748	259,072,447	140,969,128	166,965,434

4 DIVIDENDS

The Directors recommend a final dividend of ₦23 per share (2024: ₦22 per share) which amounts to ₦99,931,420,280 for the year ended 31 December 2025 (2024: ₦95,586,575,920). In 2025, an interim dividend of ₦10 per share (2024: ₦8) was declared and paid amounting to ₦43,448,443,600 (2024: ₦34,758,754,880). This brings the total dividend for 2025 to ₦33 per share (2024: ₦30 per share) amounting to ₦143,379,863,880 (2024: ₦130,345,330,800). All dividends are subject to deduction of withholding tax at the rate applicable at the time of payment. The final dividend will be presented for ratification to the shareholders at the next Annual General Meeting.

5 PROPERTY, PLANT AND EQUIPMENT

Information relating to Property, plant and equipment is given in Note 16 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Group and Company's Property, Plant and Equipment is not less than the value shown in the consolidated and separate financial statements.

6 CHARITABLE CONTRIBUTIONS

The Group made charitable contributions amounting to ₦473 million (\$311,970) during the year ended 31 December 2025 (2024: ₦282million (\$190,385)). Contributions were made towards Africa Energy Week Conference (₦70 million/\$46,000); Nigerian International Energy Summit (₦61 million/\$40,000); NOG Energy Week Conference & Exhibition 2025 (₦61 million/\$40,000); PNC Sponsorship (₦32 million/\$22,309); World Gas Conference (₦29 million/\$19,000); AOW Sponsorship (₦18 million/\$12,000); and others (₦201 million/\$132,661). The Company made no donations to any political party, political association or for any political purpose during the year (2024:Nil)

Report of the Directors (cont'd)

7 DIRECTORS

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Augustine Olorunsola	Chairman	
Adegbite Falade	Managing Director/CEO	
Adegbola Adesina	Chief Financial Officer	
Afolabi Oladele	Non-Executive Director	
Olugbenga Adetoro	Non-Executive Director	
Patricia Simon-Hart	Independent Non-Executive Director	
Kerin Jayne Gunter	Non-Executive Director	Appointed 02/01/2025
Olusola Adeeyo	Non-Executive Director	Appointed 25/07/2025
George Osahon	Non-Executive Director	Appointed 25/07/2025
Mahmud Tukur	Independent Non-Executive Director	Appointed 25/07/2025
Nnoli Akpedeye	Independent Non-Executive Director	Appointed 02/02/2026
Ede Osayande	Non-Executive Director	Resigned on 28/05/2025
Ladi Jadesimi	Former Chairman	Resigned on 28/05/2025

8 DIRECTORS' INTERESTS IN SHARES

Directors' interests in the share capital of the Company as at 31 December 2025 were as follows:-

Name of Director	Number of Shares	
	2025	2024
Adegbite Falade	11,271,560	11,271,560
Adegbola Adesina	4,495,050	2,795,050
Afolabi Oladele	803,175	803,175
Augustine Olorunsola	Nil	Nil
Olugbenga Adetoro	Nil	Nil
Patricia Simon-Hart	Nil	Nil
Kerin Jayne Gunter	Nil	Nil
Olusola Adeeyo	40,477,698	40,477,698
George Osahon	1,463,600	1,463,600
Mahmud Tukur	Nil	Nil

9 DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Group/Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020 of any disclosable interest in contracts with which the Group/Company are involved as at 31 December 2025 (2024:Nil).

10 SHARE CAPITAL

As at 31 December 2025, the below shareholders held 5% or more of the issued and fully paid shares of 50 kobo of the Company:

Name	2025	2025	2024	2024
	Number of shares	%	Number of shares	%
Petrolin Ocean Limited	360,899,945	8.31	360,899,945	8.31
Petrolin Trading Limited	171,793,774	3.95	0	-
Adeola Fola	240,002,980	5.52	240,002,980	5.52
Badagry Creek FZE	230,034,760	5.29	229,034,760	5.27

Report of the Directors (cont'd)

11 SHAREHOLDING ANALYSIS

Aradel Holdings Plc - Range analysis as at 31 December 2025

Range	Number of Shareholders	Holders Percentage (%)	Holdings (Number)	% Holdings
1 - 1,000	19,792	68.2	3,769,632	0.09
1,001 - 5,000	4,821	16.61	11,426,089	0.26
5,001 - 10,000	1,248	4.3	9,355,790	0.22
10,001 - 50,000	1,665	5.74	38,815,848	0.89
50,001 - 100,000	403	1.39	28,911,695	0.67
100,001 - 500,000	543	1.87	123,348,382	2.84
500,001 - 1,000,000	174	0.6	132,935,474	3.06
1,000,001 - 5,000,000	261	0.9	570,558,585	13.13
5,000,001 - 10,000,000	53	0.18	366,779,459	8.44
10,000,001 - 50,000,000	44	0.15	896,212,442	20.63
50,000,001 - 100,000,000	9	0.03	591,385,524	13.61
100,000,001 & Above	8	0.03	1,571,345,440	36.17
	29,021	100	4,344,844,360	100

12 BOARD COMMITTEES MEETINGS AND ATTENDANCE

Committee Membership during the year ended 31 December 2025

	Statutory Audit	Corporate Strategy	Board Audit & Finance	Governance , Remuneration & Nomination	Corporate Responsibility & Risk Mgt	Sustainability Committee
Adegbite Falade		X			X	X
Adegbola Adesina		X			X	X
Afolabi Oladele	X	X		X		
Gbenga Adetoro			X		X	
Patricia Simon-Hart	X	X		X		X
Kerin Jayne Gunter				X		X
Olusola Adeeyo			X	X		
Mahmud Tukur			X	X	X	
George Osahon		X	X			X

Attendance at meetings during the year ended 31 December 2025

	Board	Statutory Audit	Corporate Strategy	Board Audit & Finance	Governance, Remuneration & Nomination	Corporate Responsibility & Risk Mgt	Sustainability Committee
Executive Directors							
Adegbite Falade	12/13	-	4/4	-	-	4/4	1/1
Adegbola Adesina	12/13	-	-	1/4	-	1/4	1/1
Augustine Olorunsola	13/13	-	-	-	-	-	-
Afolabi Oladele	13/13	5/5	4/4	-	9/9	-	-
Olugbenga Adetoro	13/13	-	-	4/4	-	4/4	-
Patricia Simon-Hart	13/13	2/5	4/4	-	9/9	-	1/1
Kerin Jayne Gunter	10/13	-	-	-	7/9	-	1/1
Olusola Adeeyo	6/13	-	-	1/4	2/9	-	-
Mahmud Tukur	6/13	-	-	1/4	3/9	1/4	-
George Osahon	6/13	-	1/4	1/4	-	-	1/1

Report of the Directors (cont'd)

12 BOARD COMMITTEES MEETINGS AND ATTENDANCE (cont'd)

Shareholders' Representative on the Company Statutory Audit Committee during the year ended 31 December 2025

Names	Membership	Attendance
Femi Akinsanya	Chairman	5/5
Eddie Efekoha	Member	4/5
Gbola Akinola	Member	5/5

Notes

Thirteen meetings of the Board of Directors were held in the 2025 financial year.

Nine meetings of the Board Governance, Remuneration and Nomination Committee were held during the year.

Four meetings of the Board Audit & Finance Committee were held in 2025

Four meetings of the Board Corporate Responsibility & Risk Management Committee were held in the 2025 financial year.

Four meetings of the Board Corporate Strategy Committee were held during the period.

Five meetings of the Statutory Audit Committee were held in 2025 financial year.

The Sustainability Committee had its inaugural meeting in 2025.

Four meetings of the Ad hoc Committee – for the review of the 40% shares of Petrolin Trading Limited in ND Western that was acquired by the Company.

13 EMPLOYMENT OF DISABLED PERSONS

The Company has a policy of fair consideration of job application by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees. Presently no disabled person is in the employment of the Company (2024:Nil).

14 HEALTH, SAFETY AND WELFARE AT WORK OF EMPLOYEES

One of the Company's primary business objectives is that its operations shall not cause accidents, damage or losses. The Company is committed to protecting people, the environment and physical assets. The Company established adequate health and safety measures within its premises and its areas of operations and in the operation of all its vehicles. The Company aims to provide as far as possible medical care for all members of its staff and immediate members of their nuclear families.

15 EMPLOYEES' TRAINING AND INVOLVEMENT

The Directors maintain regular communication and consultation with the employees and staff representatives on matters affecting employees and the Company.

The Group organises various in-house, local and international training courses and also sends staff abroad for training when the training capacity is not available locally.

Report of the Directors (cont'd)

16 APPOINTMENT OF EXTERNAL AUDITORS

Messrs. Deloitte & Touche resigned as the auditors of the Company, effective from 31 December 2025. Following their resignation, and upon the recommendation of the Audit Committee, the Directors have appointed KPMG Professional Services to fill the vacancy. The new auditors will hold office until the conclusion of the next Annual General Meeting. The Directors recommend to the shareholders the approval of this appointment and authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Titilola Omisore, FRC/2013/NBA/00000003574
COMPANY SECRETARY
19 June 2026

Statement of Directors' Responsibilities

The Directors of Aradel Holdings Plc ("The Company") and its subsidiaries (together referred to as "The Group") accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and the Company as at 31 December 2025, the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

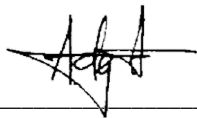
In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance;

Going Concern:

The Directors have made an assessment of the Group and the Company's ability to continue as a going concern and have no reason to believe that the Group and Company will not remain as a going concern in the foreseeable future.

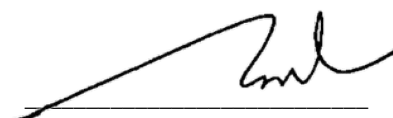
The financial statements of the Group and the Company for the year ended 31 December 2025 were approved by the Board of Directors on 19 June 2026 and were signed on its behalf by:



Adegbola Adesina
Chief Financial Officer
FRC/2021/001/00000024579



Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055



Osten Olorunsola
Chairman
FRC/2025/PRO/DIR/003/043567

Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the consolidated and separate financial statements have been reviewed and based on our knowledge, the:

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the periods covered by the audited financial statements;"

We state that management and directors:

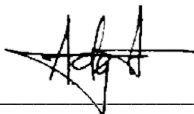
- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Group is made known to the officer by other officers of the Group, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certify that the Group's internal controls are effective as of that date;

Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and have identified for the Group's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2025 were approved by the Board of Directors on 19 June 2026 and were signed on its behalf by:



Adegbola Adesina
Chief Financial Officer
FRC/2021/001/00000024579



Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055

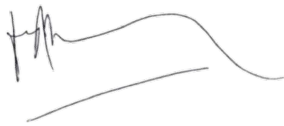
**Report of the Audit Committee
To the Members of Aradel Holdings Plc**

In accordance with the Statutory requirement of provisions of section 404(7) of Companies and Allied Matters Act, 2020, we the members of the Audit Committee of Aradel Holdings Plc, having carried out our statutory functions under the Act hereby confirm that the accounting and reporting policies of the Group and Company are in accordance with legal requirements and agreed ethical practices.

In our opinion:

- i) The accounting and reporting policies of Aradel Holdings Plc as contained in the Group and Company's audited financial statements for the year ended 31 December 2025 are in accordance with the relevant financial reporting framework and agreed ethical practices.
- ii) The scope and planning of the audit for the year ended 31 December 2025 were adequate.
- iii) The External Auditor's findings on management matters and management's responses thereto were satisfactory.
- iv) We have kept under review the effectiveness of the Group and Company's system of accounting and internal controls.

In our opinion, the scope and planning of the audit for the year ended 31 December 2025 together with the consolidated and separate audited financial statements were satisfactory. The external auditors had discharged their duties conscientiously and satisfactorily. We were satisfied with Management's responses to the auditors' findings.



Mr Olufemi Akinsanya, ACA, FRC/2013/CISN/00000002760
Chairman
Audit Committee
19 June 2026

Members of the Audit Committee

- | | | |
|----|----------------------|-------------------------------------|
| 1. | Mr Olufemi Akinsanya | Chairman/Shareholder Representative |
| 2. | Mr Eddie Efekoha | Shareholder Representative |
| 3. | Mr. Afolabi Oladele | Board Representative |
| 4. | Chief Gbola Akinola | Shareholder Representative |
| 5 | Mr. Ede Osayande | Board Representative |

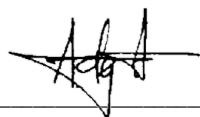
Management Report on Aradel Holdings Plc's Internal Control over Financial Reporting

In compliance with the provisions of Section 1.1 of Securities and Exchange Commission's Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Control over Financial Reporting of Aradel Holdings Plc for the year ended 31 December 2025:

- i. Aradel Holdings Plc's management is responsible for establishing and maintaining a system of Internal Control over Financial Reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. Aradel Holdings Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;
- iii. Aradel Holdings Plc's management has assessed that the entity's ICFR as of the end of 31 December 2025 is effective.
- iv. Aradel Holdings Plc's external auditors - Deloitte & Touche - that audited the financial statements has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

We have reviewed the financial statements of Aradel Holdings Plc for the year ended 31 December 2025;

- a) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report
- b) We also certify that we:
 1. are responsible for establishing and maintaining internal controls;
 2. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 4. have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- c) We have disclosed, based on our most recent evaluation of internal control system, to the company's auditors, the audit committee and the company's Board of Directors:
 1. All significant deficiencies and weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- d) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and weaknesses.
- e) Meanwhile, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as at December 31, 2025.



Adegbola Adesina
Chief Financial Officer
FRC/2021/001/00000024579
19 June 2026



Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055
19 June 2026

Certification by the Chief Executive Officer

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 I hereby make the following statements regarding the Internal Controls of Aradel Holdings Plc for the year ended 31 December 2025.

I, Adegbite Falade, certify that:

I have reviewed this management assessment on Internal Control over Financial Reporting of Aradel Holdings Plc;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in the report;

The company's other certifying officer and I:

- a) are responsible for establishing and maintaining internal controls;
- b) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- c) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- d) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation."
- e) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055
19 June 2026

Certification by the Chief Financial Officer

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 I hereby make the following statements regarding the Internal Controls of Aradel Holdings Plc for the year ended 31 December 2025.

I, Adegbola Adesina, certify that:

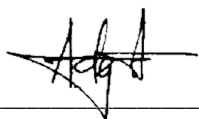
I have reviewed this management assessment on Internal Control over Financial Reporting of Aradel Holdings Plc;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in the report;

The company's other certifying officer and I:

- a) are responsible for establishing and maintaining internal controls;
- b) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- c) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- d) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - ii. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Adegbola Adesina
Chief Financial Officer
FRC/2021/001/00000024579
19 June 2026

Assurance Report of Independent Auditor

To the Shareholders of Aradel Holdings Plc

Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of **Aradel Holdings Plc ("the Company") and its subsidiaries ("the Group")** as of 31 December, 2025, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007. Aradel Holdings Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of the Company and the Group and our report dated 19 June 2026 expressed an unmodified opinion

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Company and the Group's system of internal control over financial reporting for the year ended 31 December 2025. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the Company and the Group's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the Company and the Group's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company and the Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Ayodeji Ojo, FCA - FRC/2013/PRO/ICAN/004/00000004521

Deloitte & Touche (FRC/2022/COY/091021)

Lagos

Date: 19 June 2026



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aradel Holdings Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Aradel Holdings Plc** and its subsidiaries (the Group and Company) set out on pages 20 to 97, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Aradel Holdings Plc** as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of public interest entities in Nigeria. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate financial statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current year. The matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified applies only to the consolidated financial statements and there is no key audit matter for the separate financial statements.



Key Audit Matter	How the matter was addressed in the audit
Business Combinations	
On the 31 December 2025, the Group completed a step acquisition of ND Western Limited by acquiring an additional 40% equity interest, resulting in ND Western Limited becoming a subsidiary of the group. Through this transaction, the group also obtained control over Renaissance Africa Energy Company Limited, which became a subsidiary. The acquisition accounting has been determined on a provisional basis in accordance with IFRS 3 Business Combinations, as the fair valuation of identifiable assets acquired and liabilities assumed had not been completed as at the reporting date. The Group recognised provisional fair values for the identifiable net assets acquired and a provisional gain on bargain purchase. We considered this a key audit matter because of the materiality of the transaction to the consolidated financial statements, the judgement involved in determining the acquisition date, identifying the acquirer, measuring consideration transferred, remeasuring previously held interests, recognising non-controlling interests, and determining provisional fair values and related disclosures. Refer to Notes 2.3(i), 2.3(viii) and 44 to the consolidated financial statements for the related accounting policies, significant judgements and estimates, and business combination disclosures.	We performed the following audit procedures, amongst others: - Reviewed the transaction documents to obtain an understanding of the nature of the transactions, including the key terms and conditions. - Evaluated whether identification of the business combination, identification of the acquirer, and determination of the acquisition date are in accordance with the applicable financial reporting framework - Evaluated whether the consideration transferred by the acquirer has been recognized in accordance with the applicable financial reporting framework - Evaluated whether the gain from bargain purchase has been calculated in accordance with the applicable financial reporting framework, including the use of valuations specialists where necessary. - Evaluated whether the previously held equity interest has been remeasured in accordance with the applicable financial reporting framework - Evaluated whether the noncontrolling interest as of the acquisition date has been recognized in accordance with the applicable financial reporting framework, and, - Evaluated whether acquisition-related costs have been recognized in accordance with the applicable financial reporting framework Based on the procedures performed, we found the accounting for the business combinations and the judgements applied by management to be reasonable and in accordance with the applicable financial reporting framework, and the related disclosures to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Aradel Holdings Plc Consolidated and Separate Financial Statements for the year ended 31 December 2025”, which includes Corporate Information, Report of the Directors, Statement of Directors’ Responsibilities, Certification of financial statements, Report of the Audit Committee, Management Report on Aradel Holdings Plc’s Internal Control over Financial Reporting, Certification by the Chief Executive Officer, Certification by the Chief Financial Officer, Other National Disclosures and Supplementary information as required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act, we expressly state that:

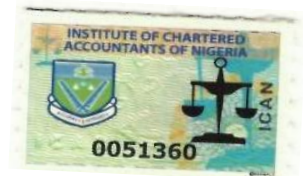
- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group and the Company have kept proper books of account, so far as appears from our examination of those books.
- iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of the group's internal control over financial reporting as of December 31, 2025. The work performed was done in accordance with FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on the procedures we have performed and the evidence obtained; we have issued an Unmodified conclusion in our report dated 19 June 2026. That report is included on page 14 of the consolidated and separate financial statements.



Ayodeji Ojo, FCA - FRC/2013/PRO/ICAN/004/00000004521

**For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
19 June 2026**



Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

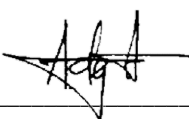
	Notes	THE GROUP		THE COMPANY	
		31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Revenue	5	699,430,701	581,151,376	-	-
Cost of sales	6	(391,220,418)	(224,632,552)	-	-
Gross profit		308,210,283	356,518,824	-	-
Dividend income	7	4,157,900	144,965	145,090,893	173,464,869
Other (loss)/income	8	(89, 655, 792)	(9,016,847)	(17,134)	(3,210,132)
Gain on bargain purchase	9	217, 100, 328	-	-	-
Translation gain on business combination	10	393,187, 789	-	-	-
Impairment loss	12	(6,287,258)	(13,221)	-	-
General and administrative expenses	11	(93, 132, 231)	(56,230,731)	(4,305,180)	(3,660,877)
Operating profit		733, 581, 019	291,402,990	140,768,579	166,593,860
Finance income	13	18,433,295	15,958,982	1,810,712	2,250,451
Finance costs	13	(26,522,469)	(22,206,795)	(1,610,163)	(1,878,877)
Net Finance (cost)/income		(8,089,174)	(6,247,813)	200,549	371,574
Share of profit of an associate	20	109, 517, 712	31,617,315	-	-
Profit before taxation		835, 009, 557	316,772,492	140,969,128	166,965,434
Tax expense	37	(77, 666, 809)	(57,700,045)	-	-
Profit after taxation		757, 342, 748	259,072,447	140,969,128	166,965,434
Profit attributable to:					
Equity holders of the parent		754, 338, 555	257,871,046	140,969,128	166,965,434
Non-controlling interest		3,004,193	1,201,401	-	-
		757, 342, 748	259,072,447	140,969,128	166,965,434
Other comprehensive income:					
<i>Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):</i>					
Foreign currency translation difference		(495, 832, 480)	313,013,085	48,235,887	103,361,087
Share of other comprehensive income of associate accounted for using the equity method	20	-	192,112,764	-	-
Foreign currency translation difference on NCI		298,354	1,929,809	-	-
<i>Other comprehensive income item that will not be reclassified to profit or loss in subsequent years (net of tax):</i>					
Net gain on equity instruments at fair value through other comprehensive income	19	5,717,409	5,244,638	5,717,409	5,244,638
Fair value loss on equity investment in Chappal Energies		(30,342,000)	-	-	-
Other comprehensive income for the year, net of tax		(520,158, 717)	512,300,296	53,953,296	108,605,725
Total comprehensive income for the year		237 184 031	771,372,743	194,922,424	275,571,159
Total comprehensive income attributable to:					
Equity holders of the parent		233,881, 484	768,241,533	194,922,424	275,571,159
Non-controlling interest		3,302,547	3,131,210	-	-
Basic & diluted earnings per share	16	N173.62	N59.35	N32.45	N38.43

The accompanying notes and material accounting policies form an integral part of these financial statements

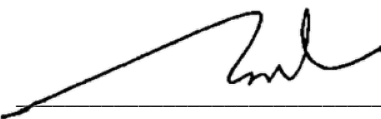
Consolidated and Separate Statements of Financial Position
As at 31 December 2025

		THE GROUP		THE COMPANY	
	Notes	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Assets					
Non-current assets					
Property, plant and equipment	17a	5 127,749, 808	676,637,344	-	-
Intangible assets	18	26,536, 679	1,251,000	-	-
Deferred tax assets	21	891 456 140	-	-	-
Financial assets	19	25,423,318	43,288,424	24,655,300	18,152,335
Investment in associate	20	-	489,968,207	-	7,810,062
Investment in subsidiaries	47	-	-	15,734,227	15,734,227
Other receivables	23	397,705,000	-	-	-
Right of use assets	25	35,472,004	-	-	-
Total non-current assets		6,504,342,949	1,211,144,975	40,389,527	41,696,624
Current assets					
Inventories	22	82,898,380	46,902,252	-	-
Trade and other receivables	23	1,730,680,210	68,753,253	303,676,446	190,490,377
Security deposit	24	3,746,796	-	-	-
Prepayments	26	44,653,107	332,982	-	8,470
Financial assets	19	1,466,184	496,045	-	-
Cash and Cash equivalents	27	1,504,676 469	411,801,252	18,476,427	74,355,599
Restricted cash	27	23,675,274	10,404,864	-	-
Total current assets		3,391,796,420	538,690,648	322,152,873	264,854,446
Total assets		9,896,139,369	1,749,835,623	362,542,400	306,551,070
Equity and liabilities					
Shareholders' equity					
Share capital	28	2,172,422	2,172,422	2,172,422	2,172,422
Share premium	28	22,819,670	22,819,670	22,819,670	22,819,670
Translation reserve	40	471,642,392	967,474,872	168,863,161	120,627,274
Fair value reserve of financial assets at FVOCI	42	(16,851,166)	7,773,425	13,490,834	7,773,425
Retained earnings		1, 010,513, 887	395,210,352	141,730,768	139,796,660
Total equity attributable to equity holders of the company		1,490,297,205	1,395,450,741	349,076,855	293,189,451
Non-controlling interests	43	657,978,838	8,659,222	-	-
Total shareholders' equity		2,148,276,043	1,404,109,963	349,076,855	293,189,451
Non-current liabilities					
Borrowings	29	1 564,486 233	40,945,047	9,283,828	11,138,777
Pensions & similar obligations	34	36,706,362	-	-	-
Deferred tax liabilities	21	57,924,367	53,351,684	-	-
Environmental & legal provisions	35	55,300,674	-	-	-
Decommissioning liabilities	30	1,455,693, 250	36,940,108	-	-
Total non-current liabilities		3,170,110,886	131,236,839	9,283,828	11,138,777
Current liabilities					
Trade, share based payment and other payables	32	2,397,511,399	120,852,179	4,181,717	2,222,842
Contract liabilities	31	870,039	2,780,114	-	-
Taxation	37	288,521,135	35,402,305	-	-
Lease liability	33	31,882,319	-	-	-
Borrowings	29	438,920,481	55,454,223	-	-
Contingent Consideration	36	1,420,047,067	-	-	-
Total current liabilities		4,577,752,440	214,488,821	4,181,717	2,222,842
Total liabilities		7,747,863,326	345,725,660	13,465,545	13,361,619
Total equity & liabilities		9,896,139,369	1,749,835,623	362,542,400	306,551,070

The financial statements were approved and authorised for issue by the Board of Directors on 19 June 2026 and signed on its behalf by:


Adegbola Adesina
Chief Financial Officer
FRC/2021/001/00000024579


Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055


Osten Olorunsola
Chairman
FRC/2025/PRO/DIR/003/043567

The accompanying notes and material accounting policies form an integral part of these financial statements.

Consolidated and Separate Statements of Changes in Equity

THE GROUP	Share Capital N'000	Share premium N'000	Translation reserve N'000	Fair value reserve of financial assets at FVOCI N'000	Retained earnings N'000	Total equity attributable to equity holders of the company N'000	Non- controlling interests N'000	Total equity N'000
Balance at 1 January 2024	2,172,422	22,819,670	462,349,023	2,528,787	209,029,238	698,899,140	5,745,441	704,644,581
Profit for the year	-	-	-	-	257,871,046	257,871,046	1,201,401	259,072,447
Foreign currency translation difference	-	-	313,013,085	-	-	313,013,085	1,929,809	314,942,894
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	5,244,638	-	5,244,638	-	5,244,638
Share of other comprehensive income of associate accounted for using the equity method	-	-	192,112,764	-	-	192,112,764	-	192,112,764
Total comprehensive income for the year	-	-	505,125,849	5,244,638	257,871,046	768,241,533	3,131,210	771,372,743
Dividends to equity holders of the company	-	-	-	-	(71,689,932)	(71,689,932)	-	(71,689,932)
Distribution to NCI holders	-	-	-	-	-	-	(217,429)	(217,429)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	(71,689,932)	(71,689,932)	(217,429)	(71,907,361)
Balance at 31 December 2024	2,172,422	22,819,670	967,474,872	7,773,425	395,210,352	1,395,450,741	8,659,222	1,404,109,963
Balance at 1 January 2025	2,172,422	22,819,670	967,474,872	7,773,425	395,210,352	1,395,450,741	8,659,222	1,404,109,963
Profit for the year	-	-	-	-	754,338, 555	754,338, 555	3,004,193	757,342, 748
Foreign currency translation difference	-	-	(495,832, 480)	-	-	(495 832 480)	298,354	(495 534 126)
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	5,717,409	-	5,717,409	-	5,717,409
Write off of FVOCI equity investment	-	-	-	(30,342,000)	-	(30,342,000)	-	(30,342,000)
Total comprehensive income for the year	-	-	(495,832, 480)	(24,624,591)	754,338, 555	233 881 484	3,302,547	237,184, 031
Dividends to equity holders of the company	-	-	-	-	(139,035,020)	(139,035,020)	-	(139,035,020)
Distribution to NCI holders	-	-	-	-	-	-	(1,960,598)	(1,960,598)
NCI arising from acquisition of subsidiaries	-	-	-	-	-	-	647,977,667	647,977,667
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(139,035,020)	(139,035,020)	646,017,069	506,982,049
Balance at 31 December 2025	2,172,422	22,819,670	471,642, 392	(16,851,166)	1, 010, 513, 887	1, 490, 297, 205	657,978,838	2,083,145 945

Consolidated and Separate Statements of Changes in Equity

THE COMPANY	Share Capital N'000	Share premium N'000	Translation reserve N'000	Fair value reserve of financial assets at FVOCI N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2024	2,172,422	22,819,670	17,266,187	2,528,787	44,521,158	89,308,224
Profit for the year	-	-	-	-	166,965,434	166,965,434
Foreign currency translation difference	-	-	103,361,087	-	-	103,361,087
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	5,244,638	-	5,244,638
Total comprehensive income for the year	-	-	103,361,087	5,244,638	166,965,434	275,571,159
Dividends to equity holders of the company	-	-	-	-	(71,689,932)	(71,689,932)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	(71,689,932)	(71,689,932)
Balance at 31 December 2024	2,172,422	22,819,670	120,627,274	7,773,425	139,796,660	293,189,451
Balance at 1 January 2025	2,172,422	22,819,670	120,627,274	7,773,425	139,796,660	293,189,451
Profit for the year	-	-	-	-	140,969,128	140,969,128
Foreign currency translation difference	-	-	48,235,887	-	-	48,235,887
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	5,717,409	-	5,717,409
Total comprehensive income for the year	-	-	48,235,887	5,717,409	140,969,128	194,922,424
Dividends to equity holders of the company	-	-	-	-	(139,035,020)	(139,035,020)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(139,035,020)	(139,035,020)
Balance at 31 December 2025	2,172,422	22,819,670	168,863,161	13,490,834	141,730,768	349,076,855

Consolidated and Separate Statements of Cash Flows

	Notes	THE GROUP		THE COMPANY	
		31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Profit before taxation		835,009,557	316,772,492	140,969,128	166,965,434
Adjustments:					
Interest expense	13	22,886,857	22,206,795	1,610,163	1,878,877
Interest income	13	(18,101,050)	(15,958,982)	(1,810,712)	(2,250,451)
Dividend received		-	(144,965)	(10,452,819)	(3,745,541)
Exchange (gain)/loss	8	13,762,807	(9,350,159)	1,422,708	(4,678,109)
Share of profit from associate	20	(109,517,712)	(31,617,315)	-	-
Gain on bargain purchase	47	(217,100,328)	-	-	-
Translation gain on business combination	10	(393,187,789)	-	-	-
Loss on Financial Asset at FV through PorL	19.2	8,690,211	5,053,017	-	-
Hedge Cost Capitalized	19.2	(4,070,228)	(2,379,673)	-	-
Depreciation of property, plant and equipment	15	80,898,490	79,634,399	-	-
Amortisation of intangible assets	15	567,374	1,002,829	-	-
Impairment loss	12	6,355,065	13,221	-	-
Provision no longer required	6	(12,857,423)	(45,296,575)	-	-
Fair value loss on step acquisition	8	106,301,680	-	-	-
Gain on disposal of property, plant and equipment	8	(45,581)	-	(5,842)	-
Bad debt written off	11	315,892	3,421,599	-	-
Stock adjustment	6	40,194,335	(26,708,739)	-	-
Operating cash flows before movement in working capital		360,102,157	296,647,944	131,732,626	158,170,210
Movement in working capital:					
(Increase)/Decrease in trade and other receivables		(73,735,356)	(18,664,996)	(105,376,007)	(128,248,183)
(Increase)/Decrease in prepayments		(1,016,844)	(250,376)	8,470	(4,705)
Increase in inventories		(27,087,415)	(4,220,269)	-	-
(Increase)/Decrease in restricted cash		(797,653)	1,205,362	-	5,620,288
Increase in trade, share based payment and other payables		(29,480,017)	63,335,677	50,748,951	73,266,042
(Decrease)/Increase in contract liabilities		(1,910,075)	1,008,192	-	-
Cash generated by operating activities		226,074,797	339,061,534	77,114,040	108,803,652
Tax paid	37	(46,373,196)	(27,176,699)	-	(964,181)
Net cash flows from operating activities		179,701,601	311,884,835	77,114,040	107,839,471
Investing activities					
Interest received	13	17,739,980	15,911,387	1,839,537	2,202,856
Dividend received		13,270,074	4,140,133	10,452,819	3,745,541
Purchase of property, plant and equipment	17b&c	(110,359,922)	(136,547,874)	-	-
Purchase of intangible assets	18	(224,531)	(222,621)	-	-
Proceeds from disposal of assets	8	45,581	-	5,842	-
Purchase of financial assets	19.2	(48,601,816)	(12,030,597)	(3,380,099)	(8,439,654)
Proceeds from liquidation of Financial asset	19.2	4,495,167	-	-	-
Net cash inflow on acquisition of subsidiaries	47.1	832,530,983	-	-	-
Net cash generated from/ (used in) investing activities		708,895,516	(128,749,572)	8,918,099	(2,491,257)
Financing activities					
Dividend paid to holders of the parent		(139,035,020)	(71,689,932)	(139,035,020)	(71,689,932)
Dividend paid to NCI holders		(1,960,598)	(217,429)	-	-
Interest paid	29	(26,628,139)	(9,444,797)	(1,744,665)	(1,734,185)
Repayment of borrowing	29	(116,575,481)	(32,439,025)	-	-
Additional borrowing	29	503,790,300	-	-	-
Net cash flows used in financing activities		219,591,062	(113,791,183)	(140,779,685)	(73,424,117)
(Decrease)/Increase in cash and cash equivalents		1,108,188,179	69,344,080	(54,747,546)	31,924,097
Cash and cash equivalents - Beginning of year		411,801,252	183,008,535	74,355,599	17,679,835
Exchange rate effects on cash and cash equivalents		(15,312,962)	159,448,637	(1,131,626)	24,751,667
Cash and cash equivalents - End of year	27	1,504,676,469	411,801,252	18,476,427	74,355,599

The accompanying notes and material accounting policies form an integral part of these financial statements

Notes to the Consolidated and Separate Financial Statements

1 REPORTING ENTITY

Aradel Holdings Plc ("the Company") was incorporated on 25 March 1992. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Group and the Company and the Group's interest in associates.

The Group is engaged in the exploration for, and development and production of oil and natural gas.

The Head Office of the Company is located at:
15 Babatunde Jose Road,
Victoria Island,
Lagos,
Nigeria.

1.2 Composition of Financial Statements

The consolidated financial statements are drawn up in United States Dollar and Nigerian Naira in accordance with IFRS Accounting Standards.

The financial statements comprise:

- Consolidated and separate statement of profit and loss and other comprehensive income
- Consolidated and separate statement of financial position
- Consolidated and separate statement of changes in equity
- Consolidated and separate statement of cash flows
- Notes to the consolidated and separate financial statements

The Directors also provided the following additional statements in compliance with the Company and Allied Matters Act:

- Consolidated and separate five-year financial summary
- Consolidated and separate value added statement
- Supplementary information - A summary of the financial statements presented in United States Dollar

1.3 Financial Period

These consolidated and separate financial statements cover the period from 1 January 2025 to 31 December 2025 with comparative figures for the financial year from 1 January 2024 to 31 December 2024

1.4 Basis of accounting

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Statement of compliance

The consolidated and separate financial statements of Aradel Holdings Plc, and all of its subsidiaries ("The Group") have been prepared in compliance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRIC) interpretations applicable to companies reporting under IFRS Accounting Standards.

Notes to the Consolidated and Separate Financial Statements

1.4 Basis of accounting (cont'd)

Basis of measurement

The consolidated and separate financial statements are prepared under the historical cost convention, except for certain financial instruments which are measured at amortised cost or at fair value. The functional currency is Dollar and presentation currency is Naira.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates and underlying assumptions are continually evaluated and are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

2.1 New standards, interpretations and amendments to existing standards adopted by the Group

In the current year, the group has applied the following amendment to IFRS Accounting Standards issued by the IASB, which is mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 21 - Lack of Exchangeability

The group has adopted the amendments to IAS 21 for the first time in the current year.

The amendments specify how to assess whether a currency is exchangeable, and how to determine the spot exchange rate when it is not.

The amendments did not have a material impact on the Group's financial statements.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

Notes to the Consolidated and Separate Financial Statements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective (cont'd)

Classification of financial assets

- **Contractual terms that are consistent with a basic lending arrangement.**
The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.
- **Assets with non-recourse features.**
The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- **Contractually linked instruments.**
The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria for transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- **Investments in equity instruments designated at FVTOCI.**
The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.
- **Contractual terms that could change the timing or amount of contractual cash flows.**
The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

- apply all the amendments at the same time and disclose that fact or
- apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions.

The Group is assessing the amendments to determine any impact on the group's consolidated financial statements.

Notes to the Consolidated and Separate Financial Statements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective (cont'd)

Annual Improvements to IFRS Accounting Standards - Volume 11

The IASB issued amendments to five IFRS Accounting Standards as part of its annual improvements process.

The amendments include clarifications, simplifications, corrections or changes to improve consistency in:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter
- IFRS 7 Financial instruments: Disclosure - Gain or loss on derecognition
- Guidance on implementing IFRS 7 - Disclosure of deferred difference between fair value and transaction price
- IFRS 9 Financial Instruments - Transaction price and Derecognition of lease liabilities
- IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'
- IAS 7 Statements of Cash Flows - Cost method

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 9 Financial Instruments

The following requirements of IFRS 9 are affected by the amendments:

- the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability:

Disclosures

IFRS 7 and IFRS 19 were amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

The amendments to the own-use exemption are required to be applied retrospectively in accordance with IAS 8 using the facts and circumstances at the date of initial application. The amendments to the hedge accounting requirements are to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The Group does not expect that the amendments will have a material impact on its financial statements.

Notes to the Consolidated and Separate Financial Statements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective (cont'd)

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the entity anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the entity do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

2.3 Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has power or control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the entity's return. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. In the separate financial statement, investment in subsidiaries is measured at cost less accumulated impairments. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value. The Group considers all facts and circumstances, including the size of the Group's voting rights relative to the size and dispersion of other vote holders in the determination of control.

During the year ended 31 December 2025, the Group obtained control of two new subsidiaries, ND Western Limited (NDW) and Renaissance Africa Energy Company Limited (RAEC), following the acquisition of an additional 40% equity interest in NDW on 31 December 2025, increasing the Group's total ownership interest to 81.67%. As a result, the Group's indirect interest in RAEC increased to 53.335%, comprising a direct holding of 12.5% and an indirect interest of 40.835% through NDW's 50% equity interest in RAEC. Control over both entities was determined to have been obtained on 30 December 2025, which constitutes the acquisition date for the purposes of IFRS 3 - Business Combinations. The assets and liabilities of NDW and RAEC have been fully consolidated into the Group's statement of financial position as at 31 December 2025.

Notes to the Consolidated and Separate Financial Statements

2.3 Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

Accordingly, the consolidated income statement for the year ended 31 December 2025 does not include the results of NDW and RAEC, owing to the acquisition date. The Group's share of profit of both entities for the period prior to obtaining control has been recognised under the equity method in accordance with IAS 28 - Investments in Associates and Joint Ventures. The results of NDW and RAEC will be fully consolidated in the Group's income statement with effect from 1 January 2026. Management considers this presentation to be consistent with the principle of materiality under IAS 1 - Presentation of Financial Statements.

Step acquisition

If the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously held equity interest is remeasured at acquisition-date fair value, and any resulting gain or loss is recognised in profit or loss.

Contingent consideration

Among the items recognised will be the acquisition-date fair value of contingent consideration. Changes to contingent consideration resulting from events after the acquisition date are recognised in profit or loss

Non Controlling Interest (NCI)

The acquirer can elect to measure the components of NCI in the acquiree

- that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in liquidation either at fair value, or
- at the NCI's proportionate share of the net assets.

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred, the amount of any controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss statement.

Inter-company transactions, amounts, balances and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from transactions that are recognised in assets are also eliminated. Accounting policies and amounts of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Purchase Price Allocation

The acquisition method requires management to exercise significant judgement and make estimates in identifying and measuring the fair values of identifiable assets acquired and liabilities assumed at the acquisition date. This includes assets not previously recognised in the acquiree's financial statements, such as separately identifiable intangible assets including customer relationships, brand names, contractual rights, and technology-based assets. The identification and fair valuation of these assets require management to apply judgement in determining which assets meet the recognition criteria under IFRS 3, and to make estimates regarding future cash flows, discount rates, useful economic lives, and other valuation inputs.

Notes to the Consolidated and Separate Financial Statements

2.3 Basis of consolidation (cont'd)

(ii) Disposal of subsidiaries

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value on the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Investment in Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in the associate's net assets after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group and Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) and other comprehensive income of associates in the statement of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred. Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

In the separate financial statements of the Company, Investment in associates is measured at cost less impairment. Investment in associate is impaired when its recoverable amount is lower than its carrying value.

(iv) Foreign currency translation

These consolidated and separate financial statements are presented in Nigerian Naira. The Group's functional currency is United States Dollars. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency').

Notes to the Consolidated and Separate Financial Statements

2.3 Basis of consolidation (cont'd)

(v) Transactions and balances in Group entities

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss as realised gain/(losses) within other income/(loss) income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss as unrealised gain/(losses) within other income/(loss) income.

All other foreign exchange gains and losses are presented in the profit or loss statement within 'other (losses)/gains – net'. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through OCI, are included in other comprehensive income.

(vi) Consolidation of Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position items presented are translated at the closing rate at the reporting date;
- income and expenses for each profit or loss statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions);
- all resulting exchange differences are recognised in other comprehensive income.

(vii) Goodwill

Goodwill is recognised as an intangible asset and carried at cost less accumulated impairment losses. Goodwill is not amortised but is tested for impairment annually, or more frequently when there is an indication that it may be impaired, in accordance with IAS 36 - Impairment of Assets. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. An impairment loss recognised in respect of goodwill is not reversed in subsequent periods.

(viii) Gain on Bargain Purchase

A bargain purchase gain arises where the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree is less than the fair value of the identifiable net assets acquired at the acquisition date.

The Group recognises the gain on bargain purchase immediately in profit or loss at the acquisition date.

Notes to the Consolidated and Separate Financial Statements

2.4 Interests in joint arrangements

Interests in joint arrangements

IFRS 11 defines joint control as the contractually agreed sharing of control over an economic activity, and this exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the “venturers”).

A joint operation (JO) involves joint control and often joint ownership by the Group and other venturers of assets contributed to, or acquired for the purpose of, the joint venture, without the formation of a corporation, partnership or other entity.

A joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in joint operation in accordance with the IFRS Accounting Standards applicable to the particular asset, liability, revenue and expense. The acquisition of an interest in a joint operation in which the activity constitutes a business should be accounted for using the principles of IFRS 3.

When joint control ceases to exist, The Group determines which entity controls the investment and accounts for the investment in accordance with IFRS 10. Where control ceases entirely, the investment is accounted for in line with IAS 39 or IAS 28.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5 Oil and natural gas exploration, evaluation and development expenditure

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the successful efforts method of accounting". Costs incurred prior to obtaining legal rights to explore are expensed immediately to the statement of profit or loss.

(i) Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

(ii) Licence and property acquisition costs

Exploration licence and leasehold property acquisition costs are capitalised within intangible assets and are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

Notes to the Consolidated and Separate Financial Statements

2.5 Oil and natural gas exploration, evaluation and development expenditure (cont'd)

(iii) Exploration and evaluation costs

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are recognised in profit or loss as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and Management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and natural gas are identified and development is sanctioned by Management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. No amortisation is charged during the exploration and evaluation phase.

For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized.

(iv) Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

2.6 Property, plant and equipment (including Oil and gas properties).

(i) Initial recognition

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, excluding land.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and for qualifying assets (where applicable), borrowing costs.

Notes to the Consolidated and Separate Financial Statements

2.6 Property, plant and equipment (including Oil and gas properties) (cont'd)

(i) Initial recognition (cont'd)

The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a lease is also included within property, plant and equipment.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

(ii) Depreciation/amortisation

Oil and gas properties are depreciated/amortised on a unit-of-production basis over the total proved plus probable (2P) reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment (excluding land) are generally depreciated on a straight-line basis over their estimated useful lives. Property, plant and equipment held under lease are depreciated over the shorter of lease term and estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in "other income" in profit or loss when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively if necessary.

Useful lives

The useful lives of the assets are estimated as follows:

Asset	Useful life
Buildings	25 years
Plant and machinery	4 - 50 years
Office equipment	4 years
Furniture and Fittings	4 years
Motor vehicles	4 years
Gas Plant	40 years

Project equipment and civil works are depreciated using the unit of production method.

Assets under Construction (AUC) are not depreciated. Ongoing projects, drilling campaigns, and facilities projects are aggregated under AUC and settled in the relevant class of property, plant and equipment when the project is completed, and the asset is available for use.

Notes to the Consolidated and Separate Financial Statements

2.6 Property, plant and equipment (including Oil and gas properties) (cont'd)

(iii) Disposal

The proceeds on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as a definition of a financial asset and is accounted for at amortised cost.

(iv) Major maintenance, inspection and repairs

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset, that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

2.7 Intangible assets

Intangible assets include software and license

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight line basis over their useful lives) and accumulated impairment losses, if any. Software and Licenses are amortised over 4 years.

Internally generated intangible assets (especially for research), excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Notes to the Consolidated and Separate Financial Statements

2.8 Impairment of non-financial assets (excluding goodwill and indefinite life intangibles)

The Group assesses at each reporting date whether there is an indication that an asset (or cash-generating unit (CGU)) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Group estimates the assets or CGU's recoverable amount. Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets, in which case, the asset is tested as part of a larger CGU to it belongs.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of The Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flow after the fifth year.

Impairment losses of continuing operations, including impairment of inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets/CGUs excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, The Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's / CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset / CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase and is recognised through other comprehensive income.

2.9 Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and The Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient, The Group initially measures a financial asset at its fair value plus – in the case of a financial asset not at fair value through profit or loss – transaction costs. Trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

Notes to the Consolidated and Separate Financial Statements

2.9 Financial assets (cont'd)

(i) Initial recognition and measurement

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that The Group commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to The Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, and corporate bonds.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, The Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Notes to the Consolidated and Separate Financial Statements

2.9 Financial assets (cont'd)

ii) Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes unquoted equity securities which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on unquoted equity securities are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from The Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, The Group also recognises associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that The Group could be required to repay.

Notes to the Consolidated and Separate Financial Statements

2.9 Financial assets (cont'd)

ii) Subsequent measurement (cont'd)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that The Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, The Group applies a simplified approach in calculating ECLs. Therefore, The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Group considers a financial asset in default when contractual payments are 45 days past due. However, in certain cases, The Group may also consider a financial asset to be in default when internal or external information indicates that The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows based on the available information. The decision to write-off is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable.

2.10 Financial liabilities, excluding derivative financial instruments, and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings, trade and other payables.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

Amortised Cost

This is the category most relevant to the Group. After initial recognition, trade and other payables, and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Notes to the Consolidated and Separate Financial Statements

2.10 Financial liabilities, excluding derivative financial instruments, and equity instruments (cont'd)

(iii) Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.11 Derivative financial instruments

The Group uses derivative financial instruments such as put options to hedge against its oil price risk. The Group entered an economic crude oil hedge contract to insure the Group's revenue against adverse oil price movement. At the inception of the hedge relationship, the Group initially recognised the hedge at fair value on the date the contract is entered and subsequently remeasured to their fair value at the end of each reporting period. Any gains or losses arising from changes in the fair value of the hedge are recognised within operating profit in profit or loss for the period.

The company has elected not to account for the derivative under hedge accounting.

2.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Cash and Cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Group and not under the control of the Group, therefore is not considered highly liquid

2.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability OR
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Consolidated and Separate Financial Statements

2.14 Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis,

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of producing and refining crude oil is accounted for on a weighted average basis. Inventory include crude, refined products and spares/consumables.

Net realisable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the purchase cost, cost of refining, including the appropriate proportion of depreciation, depletion and amortisation and overheads based on normal capacity.

2.16 Provisions

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain, and it is then measured at the lower of the related provision or fair value of the reimbursement. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

(ii) Decommissioning liability

The Group recognises a decommissioning liability when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

Notes to the Consolidated and Separate Financial Statements

2.16 Provisions (cont'd)

(ii) Decommissioning liability (cont'd)

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed as incurred.

Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment, in line with IFRIC 1.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, shall not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, The Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

The Group recognises the deferred tax asset regarding the temporary difference on the decommissioning liability and the corresponding deferred tax liability regarding the temporary difference on a decommissioning asset.

(iii) Environmental provisions

The Group recognizes provisions for environmental liabilities arising from past events where it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made.

Significant judgement is required in determining:

- Whether a present obligation exists as a result of past events, particularly where regulations or different enforcement practices evolve.
- The likelihood (probability threshold) that an outflow of economic resources will be required.
- Whether obligations relate to contamination caused by the Group or pre-existing environmental conditions.

Environmental provisions involve significant estimation uncertainty, including:

- Scope and extent of remediation activities required, which may depend on site assessments, evolving environmental standards and regulatory requirements.
- Timing of settlement, as remediation may occur over extended periods depending on regulatory approvals and operational considerations.
- Cost assumptions, including:
 - Unit remediation costs
 - Technology to be deployed
 - Contractor pricing and inflation rates
 - Discount rates applied to reflect the time value of money, where obligations are long-term.
 - Changes in laws and regulations, which could increase the level of remediation required.

Notes to the Consolidated and Separate Financial Statements

2.16 Provisions (cont'd)

(iii) Environmental provisions (cont'd)

Changes in the above assumptions, particularly cost estimates, scope of remediation, discount rates and regulatory requirements, could materially impact the amount of the provision recognized. Actual outcomes may differ from estimates, and such differences are recognized in profit or loss in the period they arise.

(iv) Legal provisions

The Group is subject to various legal and regulatory proceedings in the ordinary course of business, and the related provisions are recognized when there is a present obligation arising from past events, it is probable that an outflow of resources will be required, and the amount can be reliably estimated.

Key judgements include:

- Assessing whether legal claims or disputes give rise to a present obligation at the reporting date.
- Evaluating the probability of loss, which requires interpretation of facts, legal precedents, and external legal advice.
- Determining whether claims should be disclosed as contingent liabilities or recognized as provisions.

The estimation of legal provisions involves significant uncertainty, including:

- Expected outcome of litigation or arbitration, which may depend on factors outside the Company's control.
- Potential settlement amounts, including damages, penalties, legal fees and interest.
- Timing of settlement, which can be uncertain and impact cashflows where material.
- Reliance on independent legal counsel opinions, which may vary as cases progress.
- Potential impact of new evidence or changes in legal interpretations.

Due to inherent uncertainties in legal proceedings, actual outcomes may differ materially from the amounts provided. Revisions to estimates are recognized in the period in which new information becomes available or circumstances change.

2.17 Income taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated and Separate Financial Statements

2.17 Income taxation (cont'd)

(ii) Deferred tax

Deferred tax is recognised, using the temporary difference approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

(iii) Royalties, resource rent tax and revenue-based taxes

In addition to corporate income taxes, The Group's financial statements also include and recognize as taxes on income, other types of taxes on net income which are calculated based on oil and gas production.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority, and the amount payable is based on taxable income – rather than based on quantity produced or as a percentage of revenue – after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of income tax.

Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria, are recognised as current provisions and included in cost of sales. The revenue taxes payable by Aradel Holdings Plc do not meet the criteria for IAS 12 and are thus recognised as part of cost of sales.

(iv) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Consolidated and Separate Financial Statements

2.18 Leases

A contract or part of contracts that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) are accounted for as leases. Contracts are assessed to determine whether a contract is, or contains, a lease at the inception of a contract or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised or a termination option will not be exercised.

At the commencement of a lease contract, a right of use of asset and a corresponding lease liability are recognised, unless the lease term is 12 months or less. The commencement date of the lease is the day the underlying asset is made available for use. The lease liability is measured at an amount equal to the present value of the lease payments during the lease that are not paid at that date. The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in index or rate when the lease term changes following a reassessment.

Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of similar nature and value to the right-of-use asset in a similar economic environment. In general, a corresponding right of use asset is recognised for an amount equal to each lease liability, adjusted by the amount of any prepaid lease payment relating to the specific lease contract. The depreciation on the right of use assets is recognised in statement of profit or loss unless capitalized as exploration drilling costs or capitalized when the right of use asset is used to construct another asset.

The Group's leases are mainly lease of well drilling rigs and workover units.

Where the Group, usually in its capacity as operator, has entered into a lease contract on behalf of a joint arrangement, a lease liability is recognised to the extent that the Group has primary responsibility for the lease liability. A sub-lease is subsequently recognised if the related right of use is subleased to the joint arrangement. This is usually the case when the joint arrangement has the right to direct the use of the asset.

Impairment of the right-of-use asset

Right of use asset are subject to existing impairment requirements as set out in Property, plant and equipment.

Lessor

Where the Group is a lessor in a lease arrangement at inception, the lease arrangement will be classified based on the extent to which the risks and rewards incidental to ownership of the underlying asset lie with lessor or the lessee.

Subleasing arrangements

Lease arrangements are treated as subleases where the Group enters into lease arrangements on behalf of the joint venture (JV) in its capacity as operator, and subsequently subleases the right to use the leased asset to the JV.

The Group continues to account for the head lease in accordance with lessee accounting policies, independent of the sublease arrangement.

Recognition of sublease income

Sublease income are amounts charged to JV partners as share of the cost of use of the subleased asset. Recognition of sublease income is aligned with the timing and pattern of use of the underlying subleased asset.

Notes to the Consolidated and Separate Financial Statements

2.19 Revenue recognition

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in another section.

Sale of crude oil

Revenue from the sale of oil and petroleum products is recognized when control of the product has been transferred to the customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of crude oil, the entity considers the existence of significant financing components and consideration payable to the customer (if any).

Significant financing component

Using the practical expedient in IFRS 15, the entity does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Sale of Gas

The Group provides gas processing, marketing and transportation services. The Group recognises revenue from gas sale when control of the product has been transferred to the buyer. This generally occurs when the gas have been delivered at the buyer's delivery point for gas.

Sale of Refined Products

Revenue from the sale of refined products is recognized when control of the product has been transferred to the customer/distributor. This generally occurs when the product is lifted by the customer/distributor. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of diesel, the entity considers the existence of significant financing components and consideration payable to the customer (if any). There are no credit terms for the sale of refined products as the Group receives upfront payment (downpayment) for the refined products before they are lifted by the customer/distributor.

Notes to the Consolidated and Separate Financial Statements

2.19 Revenue recognition (cont'd)

Consideration payable to a customer

Consideration payable to a customer includes penalties that the Group expects to pay to its customer if it does not deliver the Adjusted Annual Contract Quantity or delivers off-specification gas. The consideration payable to a customer is accounted for as a reduction of the transaction unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

The Group recognise the reduction of revenue when (or as) the following events occur:

- the entity recognises revenue for the transfer of the related goods or services to the customer; and
- the entity pays or promises to pay the consideration (even if the payment is conditional on a future event). That promise might be implied by the entity's customary business practices.

2.20 Cost of sales

Cost of sales includes the cost of crude oil , gas inventory , refined products inventory (including depreciation and amortization), costs related to transportation, operational and maintenance cost, royalty and, inventory write downs.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Finance income and costs

Finance income

Finance income is recorded in the statement of profit or loss as it accrues, utilizing the effective interest rate (EIR). This rate precisely discounts estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, if applicable, to the amortized cost of the financial instrument. The calculation of finance income considers all contractual terms of the financial instrument, along with any fees or incremental costs directly related to the instrument and forming an integral part of the effective interest rate (EIR), excluding future credit losses.

Finance cost

Finance costs include borrowing costs, interest expense calculated using the effective interest rate method, finance charges in respect of lease liabilities, the unwinding of the effect of discounting provisions, and the amortisation of discounts and premiums on debt instruments that are liabilities.

Notes to the Consolidated and Separate Financial Statements

2.23 Employee benefits

i. Retirement benefit liabilities

The Group has both defined contribution plans and defined benefits plans in the form of retirement gratuity and pensions which are provided to regular employees and retirees under unfunded End-of-Service Gratuity and Defined Contribution (DC) plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis in accordance with the Pension Reform Act 2014.

The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due."

The Group maintains defined gratuity benefit plans determined by employees number of years of service. The Gratuity provision is unfunded and is calculated based on an employee's years of service and final remuneration. Provision is generally made for Gratuity and reviewed annually. The gratuity due determined periodically is expensed to profit or loss and held as provisions in the Balance Sheet.

ii. Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

iii. Share based payment

The Group operates a cash-settled share-based payment. The payout of the cash-settled share based payment is determined by reference to the group's share value or overall performance, a liability is recognized for the services acquired, initially measured at the fair value of this liability. At each reporting date until the compensation is paid, an amount representing the current value of this liability shall be accrued in the accrued liability account. This accrual in each year reflects the value of the participating employees' services received during that period."

iv. Defined contribution plans

Benefits in the form of retirement gratuity and pensions are provided to regular employees and retirees under unfunded End-of-Service Gratuity and Defined Contribution (DC) Scheme plans.

2.24 Share capital

Any consideration received, net of directly attributable transaction costs, is accounted for in equity. The issued share capital is initially translated at the prevailing exchange rate on the transaction date and is not retranslated thereafter.

Notes to the Consolidated and Separate Financial Statements

2.25 Earnings per share (EPS) and Dividend distribution

Basic EPS is calculated on the Group's profit or loss after taxation attributable to the parent entity and on the basis of weighted average of issued and fully paid Ordinary Shares at the end of the year.

Diluted EPS is calculated by dividing the profit or loss after taxation attributable to the parent entity by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares (after adjusting for outstanding share awards arising from the share-based payment scheme) into Ordinary Shares.

Dividend payment or payable is recognised when the Group becomes liable to make payment of dividend, which is generally when shareholders approve the dividend at the annual general meeting. Proposed dividends on ordinary shares are not recognised as liability.

2.26 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's financial statements in conformity with IFRS Accounting Standards requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the financial statements.

Notes to the Consolidated and Separate Financial Statements

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

i. Hydrocarbon reserve and resource estimates

Oil and gas production properties are depreciated on units of production (UOP) basis at a rate calculated by reference to total proved and probable (2P) reserves determined in accordance with Society of Petroleum Engineers rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil in place, recovery factors and future oil prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is produced during the operation of a field, estimates of recoverable reserves may change. Such changes may impact The Group's reported financial position and results which include:

- The carrying value of exploration and evaluation assets, oil and gas properties, property, and plant and equipment may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the units of production method, or where the useful life of the related assets change.
- Provisions for decommissioning may change - where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

ii. Units of production depletion of oil and gas assets

Oil and gas properties are depreciated using the units of production (UOP) method over total proved and probable (2P) hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates changes.

During the year, a significant estimate was made to the reserve numbers based on updated geological assessments, revised production forecasts, and changes in economic assumptions. These revisions have affected the calculation of the UOP depreciation rate.

Notes to the Consolidated and Separate Financial Statements

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

ii. Units of production depletion of oil and gas assets (cont'd)

Changes to prove reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions. Or
- Unforeseen operational issues

Changes are accounted for prospectively.

iii. Recoverability of oil and gas assets

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) every reporting period to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves (see Hydrocarbon reserves and resource estimates above) and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for oil and gas assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its CGUs as being its operations with respect to Energy business, which is the lowest level for which cash inflows are largely independent of those of other assets.

During the year, performed an annual impairment assessment of its oil and gas assets to determine whether there are indications of impairment. The recoverable amount of each cash-generating unit (CGU) was determined as the higher of its fair value less costs of disposal (FVLCD) and its value in use (VIU). In estimating the recoverable amount, the Group considers forecasts of annual net cash flows over the life of proved plus probable (2P) reserves. These forecasts incorporate production rates, oil and gas price assumptions, future costs, and other relevant inputs based on the year-end Competent Persons Report (CPR).

iv. Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents Management's best estimate of the present value of the future decommissioning costs required. See note 29.

Notes to the Consolidated and Separate Financial Statements

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

v. Purchase Price Allocation - Provisional Fair Values

In accounting for the acquisition of ND Western Limited and Renaissance Africa Energy Company Limited as business combinations under IFRS 3 Business Combinations, the Group applied the acquisition method of accounting. This required management to identify and measure the identifiable assets acquired, liabilities assumed, non-controlling interests, previously held interests and consideration transferred at their acquisition date fair values.

The acquisition was completed on 31 December 2025, being the Group's reporting date, the Group had not completed all valuation procedures necessary to finalise the purchase price allocation by the date these financial statements were authorised for issue. Accordingly, the Group has recognised provisional amounts for the identifiable assets acquired and liabilities assumed in accordance with IFRS 3.

The determination of the provisional fair values involved significant judgement and estimation. The most significant areas of judgement and estimation include the fair value of oil and gas properties, assessment of hydrocarbon reserves and production profiles, forecast commodity prices, future operating and capital expenditure, discount rates, decommissioning obligations, environmental and legal provisions, contingent consideration, identifiable intangible assets and the related deferred tax consequences.

The principal areas for which the purchase price allocation remains provisional include:

- the fair valuation of oil and gas properties, pending finalisation of the independent Competent Person's Report;
- identification and fair valuation of separately identifiable intangible assets;
- final determination of deferred tax assets and liabilities arising from acquisition date fair value adjustments;
- valuation of decommissioning, environmental and legal obligations;
- valuation of contingent consideration;
- remeasurement of the Group's previously held equity interests at acquisition date fair value; and
- measurement of non-controlling interests.

The provisional amounts recognised may be adjusted during the measurement period as additional information becomes available about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date. Any measurement period adjustment will be recognised retrospectively and may result in changes to the amounts recognised for identifiable assets acquired, liabilities assumed, deferred tax balances, non-controlling interests, the gain on bargain purchase. See note 46

Management considers the purchase price allocation to be a significant source of estimation uncertainty because a reasonably possible change in the key assumptions used in determining the provisional fair values could result in a material adjustment to the carrying amounts of assets and liabilities recognised in the consolidated financial statements.

Notes to the Consolidated and Separate Financial Statements

4 Segment Reporting

Business segments are based on the Group's internal organisation and management reporting structure. The Group's operations cover 4 segments-Crude Oil, Gas, Refinery & Investment Properties. Some intersegment transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains committed to continuous value creation and accretion of the reserves. The reporting segments of the Group derive their revenues within and outside Nigeria & goods are transferred at a point in time. The segment reports are also in line with the Group's accounting policies.

4.1 Segment profit/(loss) disclosure

	CRUDE OIL N'000	GAS N'000	REFINED PRODUCTS N'000	INVESTMENT PROPERTIES N'000	TOTAL REPORTABLE SEGMENT N'000	ELIMINATIONS N'000	CONSOLIDATION N'000
31 December 2025							
Revenue	568,393,652	132,823,622	218,221,181	121,368	919,559,823	(220,129,122)	699,430,701
Gain on bargain purchase	-	-	-	-	-	217 100 328	217 100 328
Operating costs (excluding depreciation and amortisation)	(406 572 180)	(71,094,340)	(166,817,282)	(72,821)	(644 556 623)	241 669 838	(402 886 785)
Depreciation and amortisation	(70,971,455)	(4,012,730)	(6,371,820)	(110,748)	(81,466,753)	889	(81,465,864)
Dividend income	150,335,507	-	-	-	150,335,507	(146,177,607)	4,157,900
Other income/(loss)	26,030,402	620,494	11,736,286	(6,068)	38,381,114	(128 036 906)	(89 655 792)
Impairment (loss)/writeback on financial assets and contract assets	(5,661,817)	(626,562)	-	-	(6,288,379)	1,121	(6,287,258)
Operating profit	261 554 109	57,710,484	56,768,365	(68,269)	375 964 689	(35 571 459)	340 393 230
Net Finance income/(costs)	(11,613,401)	89,509	3,436,232	-	(8,087,660)	(1,514)	(8,089,174)
Share of profit from associate	-	-	-	-	-	109 517 712	109 517 712
Profit before taxation	249 940 708	57,799,993	60,204,597	(68,269)	367 877 029	73 944 739	441 821 768
Tax expense	(59 132 007)	(19,292,961)	(365,621)	(139,573)	(78 930 162)	1,263,278	(77 666 809)
Profit after taxation	190 808 701	38,507,032	59,838,976	(207,842)	288 946 867	75 208 092	364 154 959
31 December 2024							
Revenue	482,711,460	79,487,859	187,663,551	118,374	749,981,244	(168,829,868)	581,151,376
Operating costs (excluding depreciation and amortisation)	(190,824,570)	(33,785,795)	(146,975,424)	(35,660)	(371,621,449)	171,395,394	(200,226,055)
Depreciation and amortisation	(70,677,272)	(3,883,553)	(5,968,009)	(108,394)	(80,637,228)	-	(80,637,228)
Dividend income	173,464,869	-	-	-	173,464,869	(173,319,904)	144,965
Other (loss)/income	4,086,689	(928,253)	(9,198,178)	1,296	(6,038,446)	(2,978,401)	(9,016,847)
Impairment (loss)/writeback on financial assets and contract assets	(10,118)	(3,103)	-	-	(13,221)	-	(13,221)
Operating profit	398,751,058	40,887,155	25,521,940	(24,384)	465,135,769	(173,732,779)	291,402,990
Net Finance costs	(9,121,143)	(37,686)	2,911,016	-	(6,247,813)	-	(6,247,813)
Share of profit from associate	-	-	-	-	-	31,617,315	31,617,315
Profit before taxation	389,629,915	40,849,469	28,432,956	(24,384)	458,887,956	(142,115,464)	316,772,492
Tax expense	(41,996,143)	(11,365,152)	(5,480,868)	(117,328)	(58,959,491)	1,259,446	(57,700,045)
Profit after taxation	347,633,772	29,484,317	22,952,088	(141,712)	399,928,465	(140,856,018)	259,072,447

Notes to the Consolidated and Separate Financial Statements

4.2 Segment Assets and Liabilities

The assets and liabilities are disclosed based on the operations of the reporting segments

	CRUDE OIL	GAS	REFINED	INVESTMENT	TOTAL		
	N'000	N'000	PRODUCTS	PROPETRIES	REPORTABLE	ELIMINATIONS	CONSOLIDATION
31 December 2025			N'000	N'000	SEGMENT	N'000	N'000
					N'000		
TOTAL ASSET	7,506,644,835	2,371,973,909	324,416,553	11,852,707	10,214,888,004	(318,748,635)	9 896 139 369
TOTAL LIABILITIES	5,687,049,002	1,563,265,607	92,472,073	1,577,395	7,344,364,077	403,499,249	7 747 863 326
31 December 2024							
TOTAL ASSET	1,071,624,738	257,786,795	348,857,560	13,429,111	1,691,698,203	58,137,420	1,749,835,623
TOTAL LIABILITIES	545,158,841	58,534,629	147,868,626	2,227,643	753,789,739	(408,064,079)	345,725,660

Notes to the Consolidated and Separate Financial Statements

5 Revenue from contracts with customers

5.1 Disaggregated revenue information	THE GROUP		THE COMPANY	
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Crude Oil	440,093,785	373,662,426	-	-
Gas	48,570,339	28,177,388	-	-
Refined Products	210,766,577	179,311,562	-	-
Total revenue	699,430,701	581,151,376	-	-
Geographical markets				
Within Nigeria	259,336,916	207,488,950	-	-
Outside Nigeria	440,093,785	373,662,426	-	-
Total revenue from contracts with customers	699,430,701	581,151,376	-	-
Timing of revenue recognition				
Goods transferred at a point in time	699,430,701	581,151,376	-	-
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	699,430,701	581,151,376	-	-

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of invoicing.

Sale of Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is made in advance.

Contract balances	THE GROUP		THE COMPANY	
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Trade receivables (Note 22)	140,551,933	67,100,029	-	-
Contract liabilities (Note 30)	870,039	2,780,114	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities are considerations received from customers by the Group for which the related goods or services to the customers have not been transferred.

Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

Notes to the Consolidated and Separate Financial Statements

6 Cost of sales

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Crude oil handling charges	84,833,615	95,296,232	-	-
Crude oil - Third party	-	9,620,580	-	-
Depreciation and amortisation (Note 14)	77,871,625	78,210,993	-	-
Operational and Maintenance expenses	42,261,129	24,426,994	-	-
Provision no longer required	(12,856,589)	(45,296,575)	-	-
Royalties & other statutory expenses	102,030,208	58,406,613	-	-
Staff costs (Note 13)	56,886,095	30,676,454	-	-
Stock adjustment	40,194,335	(26,708,739)	-	-
Total	391,220,418	224,632,552	-	-

Operational and maintenance expenses include field expenses, insurance expense, consultancy fees, field community costs, repairs and maintenance, and materials & supplies.

Provision no longer required relates to write back of ARO provision following the revision of oil & gas assets estimates. See more in (Note 29)

Royalties and other statutory expenses includes Royalties due to the FGN, NDDC Levy and other statutory expense.

Stock adjustment relates to the net movement in the value of inventory in the tank in the year.

7 Divided Income

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Dividend received from Financial Assets (Note 18.2)	79,935	144,965	277,629	144,965
Dividend received from Associate (Note 19)	-	-	13,270,074	3,995,168
Distribution from Renaissance Africa Energy Holding Limited	4,077,965	-	-	-
Distribution from Aradel Energy Limited	-	-	22,756,500	147,968,000
Distribution from Aradel Gas Limited	-	-	98,611,500	17,756,160
Distribution from Aradel Refineries Limited	-	-	10,175,190	3,600,576
	4,157,900	144,965	145,090,893	173,464,869

Notes to the Consolidated and Separate Financial Statements

8 Other (loss)/income

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Crude handling income	14,082,959	1,033,123	-	-
Fee income	931,687	687,535	1,046,009	672,635
Gain on disposal of property, plant and equipment	45,581	-	5,842	-
Miscellaneous	-	8,878,080	-	-
Fair value loss on step acquisition (ND Western) (Note 46)	(106 301 680)	-	-	-
Realized Exchange loss	35,506	(28,965,744)	353,723	(8,560,876)
Unrealized exchange gain	1,550,155	9,350,159	(1,422,708)	4,678,109
Total	(89 655 792)	(9,016,847)	(17,134)	(3,210,132)

Crude handling income relates to income earned from the transportation of 3rd party crude to Bonny terminal.

Fee income relates to income from non-trading activities.

Miscellaneous represents one-off transaction fees.

The fair value loss on step acquisition of ₦106 billion relates to the write-down of ND Western's carrying amount arising from the acquisition of an additional acquisition of 40% interest on 31 December 2025. See more in (Note 47).

Miscellaneous represents one-off transaction fees.

9 Gain on bargain purchase

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Gain on bargain purchase from acquisition (Note 47)	217 100 328	-	-	-
Total	217 100 328	-	-	-

The gain on bargain purchase represents the excess fair value of the net identifiable assets acquired over the purchase consideration, net of the deferred tax liability arising on the bargain purchase. See (Note 47) for more details.

10 Translation gain on business combination

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Reclassification of OCI	393 187 789	-	-	-
Total	393 187 789	-	-	-

This represents the reclassification of foreign currency translation previously recognised through OCI derecognised and reclassified to profit or loss as a result of business combination. See Note 47 for more details.

Notes to the Consolidated and Separate Financial Statements

11 General and administrative expenses

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Auditor's remuneration (Note 11.1)	448,501	298,303	141,010	67,384
Bad Debt (Note 11.2)	315,892	3,421,599	-	-
Bank charges	1,795,749	1,442,863	189,763	718,032
Depreciation and amortisation (Note 15)	3,594,239	2,426,235	-	-
Directors' fees	3,183,896	1,392,530	3,169,437	1,375,078
Fuel, utilities and travel expenses	2,832,275	2,934,520	22,471	40,585
Hedging (Note 11.3)	4,619,983	2,673,344	-	-
Permits, licenses and subscription	18 468 089	8,609,133	508,725	438,750
Professional fees (Note 11.4)	7,691,079	5,483,283	187,346	629,981
Repairs and maintenance	4,260,653	2,516,254	19,036	-
Staff costs (Note 14)	37,924,063	20,450,969	50,305	110,506
Other expenses (Note 11.5)	7,524,522	4,299,988	17,087	209,985
Total	93 132 231	56,230,731	4,305,180	3,660,877

11.1 Deloitte & Touche offered audit and assurance (related to the Internal control over Financial Reporting -ICFR) services in the year 2025 and 2024. For 2025, the Group paid Audit Fee ₦401.5 million and ICFR ₦47 million and for the Company, Audit Fee ₦125.5 million and ICFR ₦15.5 million.

The external auditor did not perform any non-audit or non-assurance services in the financial year."

11.2 Bad debt relates to write-off of long-standing trade and other receivables that are deemed unrecoverable.

11.3 Hedging consist of hedge cost written off and FV Loss through profit or loss.

11.4 Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

11.5 Other expenses consist of training fees, printing and stationery, catering and other related administrative costs incurred during the year.

12 Impairment loss

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Impairment loss on receivables (Note 23)	(626 093)	(13 221)	-	-
Impairment loss on financial assets (Note 19.2)	(5 661 165)	-	-	-
Total	(6,287,258)	(13,221)	-	-

Notes to the Consolidated and Separate Financial Statements

13	Finance cost and income	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		N'000	N'000	N'000	N'000
	Interest expense:				
	Bank borrowings	20,186,362	15,876,526	-	-
	Irredeemable Participating Investment				
	Notes (IPIN) Interest	3,635,612	2,485,574	-	-
	Provisions: unwinding of discount (Note 29)	1,090,332	1,965,818	-	-
	Coupon on Bonds	1,610,163	1,878,877	1,610,163	1,878,877
	Finance costs	26,522,469	22,206,795	1,610,163	1,878,877
	Finance income:				
	Interest income	18,433,295	15,958,982	1,810,712	2,250,451
	Finance income	18,433,295	15,958,982	1,810,712	2,250,451
	Net finance (costs)/income	(8,089,174)	(6,247,813)	200,549	371,574
14	Staff costs	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		N'000	N'000	N'000	N'000
	Included in cost of sales:				
	Salaries and other staff costs	56,886,095	30,676,454	-	-
	Included in general admin expenses:				
	Salaries and other staff costs	37,924,063	20,450,969	50,305	110,506
	Total	94,810,158	51,127,423	50,305	110,506
	Salaries and other staff costs include the following:				
	Salaries	18,830,310	13,063,022	-	-
	Defined Contribution expenses	2,709,865	1,433,845	-	-
	Share based payment (Note 14.2)	48,547,200	23,822,848	-	-
	Other allowances (Note 14.1)	24,722,783	12,807,708	50,305	110,506
		94,810,158	51,127,423	50,305	110,506

14.1 Other allowances include staff bonus, medical allowances, outstation allowances, casual wages, ITF & NSITF charges

14.2 Share based payment

Aradel Plc issued a cash-settled share-based incentive scheme that requires the Group to pay a cash value that is dependent on the excess value on the company's baseline enterprise value (share value) to its Senior/Executive management employees. In accordance with the terms of the plan, as approved by shareholders at the 2024 Annual General Meeting (AGM), Senior/Executive Management employees, subject to at least 3 months of service, excluding those in notice period have been granted a cash-settled shared based payment plan and the value of the potential payment is determined using a performance-based formula. The vesting period is 3 years, from 2024 – 2026, with employees earning full value if they remain with the organisation during the scheme.

Each eligible employee is entitled to an immediate cash payment equivalent to 40% of their compensation, and the balance is held in trust by a 3rd party trustee and will be released upon fulfilment of vesting conditions.

Notes to the Consolidated and Separate Financial Statements

14.2 Share based payment (cont'd)

As at the reporting date, ₦41.6 billion (2024: ₦14.3 billion) representing the 60% cash held in trust was expected to be transferred to the trustee and a part payment of ₦27.3 billion has been made to the beneficiaries out of the 40% cash-based compensation. Of the \$27.3 billion paid, ₦7.8 billion represents the balance payment from 2024 and ₦19.5 billion represents amounts due and paid in 2025. The Group recognised total expenses of ₦48.5 billion related to the cash-settled share-based payment transactions in 2025 (2024 :₦23.8 billion).

15 Depreciation and amortisation

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Included in cost of sales:				
Depreciation of oil and gas properties (Note 17b)	77,871,625	78,210,993	-	-
Included in general and administrative expenses:				
Depreciation of other property, plant and equipment (Note 17c)	3,026,865	1,423,406	-	-
Amortisation of intangible assets (Note 17)	567,374	1,002,829	-	-
Total in general and administrative expenses	3,594,239	2,426,235	-	-
Total	81,465,864	80,637,228	-	-

16 Earnings per share

Basic - GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the year

	31-Dec-25	31-Dec-24
	N'000	N'000
Profit attributable to equity holders of the parent	754 338 555	257,871,046
Total	754 338 555	257,871,046
	31-Dec-25	31-Dec-24
	Number	Number
Weighted average number of ordinary shares in issue	4,344,844,360	4,344,844,360
	31-Dec-25	31-Dec-24
Basic earnings per share (N)	N173.62	N59.35

There are no potential diluted shares in the current and prior year, hence, the basic & diluted EPS are same

Basic – THE COMPANY

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the year

	31-Dec-25	31-Dec-24
	N'000	N'000
Profit attributable to equity holders of the company	140,969,128	166,965,434
	31-Dec-25	31-Dec-24
	Number	Number
Weighted average number of ordinary shares in issue	4,344,844,360	4,344,844,360
	31-Dec-25	31-Dec-24
Basic earnings per share (N)	N32.45	N38.43

There are no potential diluted shares in the current and prior year, hence, the basic & diluted EPS are same.

Notes to the Consolidated and Separate Financial Statements

17 Property, plant and equipment

17a	THE GROUP		THE COMPANY	
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
Oil and gas properties (17b)	4,936,730,546	662,974,997	-	-
Other property, plant and equipment (17c & 17d)	191 019 052	13,662,347	-	-
Total	5 127 749 808	676,637,344	-	-

17b THE GROUP

OIL AND GAS PROPERTIES	Wells and Production Facilities N'000	Civil works N'000	Gas pipeline N'000	Gas plant facilities N'000	Assets under development N'000	Total N'000
Cost:						
Balance at 1 January 2024	535,010,261	11,566,561	24,506,204	69,321,161	37,645,403	678,049,590
Translation difference	378,288,589	8,178,057	17,328,374	49,014,933	26,618,824	479,428,777
Reclassifications	94,305,496	3,030,722	-	-	(97,336,218)	-
Additions	31,928,515	1,002,564	156,603	3,079,852	95,552,176	131,719,710
Changes in decommissioning assets (Note 29)	(29,396,772)	-	-	-	-	(29,396,772)
Balance at 31 December 2024	1,010,136,089	23,777,904	41,991,181	121,415,946	62,480,185	1,259,801,305
Balance at 1 January 2025	1,010,136,089	23,777,904	41,991,181	121,415,946	62,480,185	1,259,801,305
Translation difference	(68 847 327)	(1,579,040)	(2,735,559)	(8,033,533)	(8,403,233)	(89 598 692)
Reclassifications	20,690,210	559,810	-	-	(21,250,020)	-
Additions	34,448,790	3,034	-	2,295,372	101,607,773	138,354,969
Changes in decommissioning assets (Note 30)	1,292,569	-	-	-	-	1,292,569
Acquired in business combination (Note 47)	17,241,686,215	-	-	-	1,499,493,793	18,741,180,008
Balance at 31 December 2025	18 239 406 546	22,761,708	39,255,622	115,677,785	1,633,928,498	20 051 030 159
Depreciation:						
Balance at 1 January 2024	267,663,355	8,003,436	7,487,559	18,927,543	-	302,081,893
Translation difference	191,977,574	5,705,158	5,352,434	13,498,256	-	216,533,422
Depreciation for the year	72,370,868	1,228,271	1,548,400	3,063,454	-	78,210,993
Balance at 31 December 2024	532,011,797	14,936,865	14,388,393	35,489,253	-	596,826,308
Balance at 1 January 2025	532,011,797	14,936,865	14,388,393	35,489,253	-	596,826,308
Translation difference	(38 535 896)	(1,039,571)	(1,017,941)	(2,483,042)	-	(43 076 450)
Depreciation for the year	71,971,137	1,233,237	1,494,729	3,172,522	-	77,871,625
Acquired in business combination (Note 47)	14,482,677,920	-	-	-	-	14,482,677,920
Balance at 31 December 2025	15 048 124 958	15,130,531	14,865,181	36,178,733	-	15 114 299 403
Net book value:						
At 31 December 2025	3 191 281 588	7,631,177	24,390,441	79,499,052	1,633,928,498	4,936,730,546
At 31 December 2024	478,124,292	8,841,039	27,602,788	85,926,693	62,480,185	662,974,997
At 1 January 2024	267,346,906	3,563,125	17,018,645	50,393,618	37,645,403	375,967,697

There is no impairments of Property, Plant, and Equipment during the year. See Note (Note 29) for assets pledged as collateral for borrowings. The capital commitments in respect of PPE expenditures amounts to ₦51.6 billion (2024: ₦45.3 billion)

The current year reclassification relates to settlement of completed drilling projects from asset under development to Wells and Production Facilities and civil works while the prior year reclassification relates to settlement of completed drilling projects from asset under development to Wells and Production Facilities and civil works.

Additions to PPE for the year totalled ₦146.1 billion per (Note 17). Of this, ₦111 billion represents cash payments made during the year and is reflected in the statement of cash flows under investing activities. The remaining balance of ₦35 billion relates to PPE capitalized but not yet settled in cash as at year end, and is therefore excluded from the cash flow statement.

Notes to the Consolidated and Separate Financial Statements

17c THE GROUP

OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery N'000	Furniture and Fittings N'000	Office equipment N'000	Motor vehicles N'000	Building N'000	Land N'000	Total N'000
Cost:							
Balance at 1 January 2024	1,862,042	303,497	5,993,535	4,242,534	3,425,218	3,055,241	18,882,067
Translation difference	1,315,777	213,987	4,237,608	2,999,784	-	2,160,264	10,927,420
Additions	92,119	23,030	1,232,862	1,050,159	2,429,994	-	4,828,164
Balance at 31 December 2024	3,269,938	540,514	11,464,005	8,292,477	5,855,212	5,215,505	34,637,651
Balance at 1 January 2025	3,269,938	540,514	11,464,005	8,292,477	5,855,212	5,215,505	34,637,651
Translation difference	(224 486)	(39 211)	(960 003)	(708 494)	(380 734)	(339 100)	(2 652 028)
Additions	270,044	80,406	3,950,528	3,381,616	-	-	7,682,594
Disposals	(31,859)	-	(28,825)	(259,424)	-	-	(320,108)
Acquired in business combination (Note 47)	2,290,739	578,426	2,649,564	6,982,735	466,461,018	12,006,285	490,968,767
Balance at 31 December 2025	5 574 376	1 160 135	17 075 269	17 688 910	471 935 496	16 882 690	530 316 876
Depreciation:							
Balance at 1 January 2024	1,068,024	248,486	5,476,018	3,913,897	715,718	-	11,422,143
Translation difference	763,215	178,000	3,892,926	2,785,476	510,138	-	8,129,755
Depreciation for the year	214,070	61,265	558,791	480,886	108,394	-	1,423,406
Balance at 31 December 2024	2,045,309	487,751	9,927,735	7,180,259	1,334,250	-	20,975,304
Balance at 1 January 2025	2,045,309	487,751	9,927,735	7,180,259	1,334,250	-	20,975,304
Translation difference	(145 724)	(28 050)	(735 074)	(503 932)	(92 380)	-	(1 505 160)
Depreciation for the year	262,258	75,109	1,665,419	912,944	111,135	-	3,026,865
Disposal	(31,859)	-	(28,825)	(259,424)	-	-	(320,108)
Acquired in business combination (Note 47)	1,412,335	555,461	2,573,493	5,655,082	306,924,552	-	317,120,923
Balance at 31 December 2025	3 542 319	1 090 271	13 402 748	12 984 929	308 277 557	-	339 297 824
Net book value:							
At 31 December 2025	2,032,057	69 864	3 672 521	4 703 981	163 657 939	16 882 690	191 019 052
At 31 December 2024	1,224,629	52,763	1,536,270	1,112,218	4,520,962	5,215,505	13,662,347
At 1 January 2024	794,018	55,011	517,517	328,637	2,709,500	3,055,241	7,459,924

Notes to the Consolidated and Separate Financial Statements

17d THE COMPANY
OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery N'000	Furniture and Fittings N'000	Office equipment N'000	Motor vehicles N'000	Assets under development N'000	Total N'000
Cost:						
Balance at 1 January 2024	40,922	116,219	222,191	75,720	-	455,052
Translation difference	28,935	82,175	157,104	53,539	-	321,753
Balance at 31 December 2024	69,857	198,394	379,295	129,259	-	776,805
Balance at 1 January 2025	69,857	198,394	379,295	129,259	-	776,805
Translation difference	(1,488)	(12,925)	(25,010)	(5,122)	-	(44,545)
Disposal	(33,376)	-	-	(63,718)	-	(97,094)
Balance at 31 December 2025	34,993	185,469	354,285	60,419	-	635,166
Depreciation:						
Balance at 1 January 2024	40,922	116,219	222,191	75,720	-	455,052
Translation difference	28,935	82,175	157,104	53,539	-	321,753
Balance at 31 December 2024	69,857	198,394	379,295	129,259	-	776,805
Balance at 1 January 2025	69,857	198,394	379,295	129,259	-	776,805
Translation difference	(1,488)	(12,925)	(25,010)	(5,122)	-	(44,545)
Disposal	(33,376)	-	-	(63,718)	-	(97,094)
Balance at 31 December 2025	34,993	185,469	354,285	60,419	-	635,166
Net book value:						
At 31 December 2025	-	-	-	-	-	-
At 31 December 2024	-	-	-	-	-	-
At 1 January 2024	-	-	-	-	-	-

18 Intangible assets

	THE GROUP			THE COMPANY	
	License N'000	Software N'000	Total N'000	Software N'000	Total N'000
Cost:					
Balance at 1 January 2024	2,248,475	2,060,827	4,309,302	630,624	630,624
Translation difference	1,589,825	1,457,487	3,047,312	445,895	445,895
Reclassification	-	-	-	-	-
Additions	-	222,621	222,621	-	-
Balance at 31 December 2024	3,838,300	3,740,935	7,579,235	1,076,519	1,076,519
Balance at 1 January 2025	3,838,300	3,740,935	7,579,235	1,076,519	1,076,519
Translation difference	(250,050)	(255 660)	(505 710)	(70,131)	(70,131)
Additions	-	224,531	224,531	-	-
Acquired in business combination (Note 47)	-	54,324,670	54,324,670	-	-
Balance at 31 December 2025	3,588,250	58 034 476	61 622 726	1,006,388	1,006,388
Amortisation:					
Balance at 1 January 2024	1,989,451	1,108,079	3,097,530	630,624	630,624
Translation difference	1,351,687	876,189	2,227,876	445,895	445,895
Amortisation charge for the year	497,162	505,667	1,002,829	-	-
Balance at 31 December 2024	3,838,300	2,489,935	6,328,235	1,076,519	1,076,519
Balance at 1 January 2025	3,838,300	2,489,935	6,328,235	1,076,519	1,076,519
Translation difference	(250,050)	(192 312)	(442 362)	(70,131)	(70,131)
Amortisation charge for the year	-	567,374	567,374	-	-
Acquired in business combination (Note 47)	-	28 632 800	28 632 800	-	-
Balance at 31 December 2025	3,588,250	31 497 797	35,086,047	1,006,388	1,006,388
Net book value:					
At 31 December 2025	-	26 536 679	26 536 679	-	-
At 31 December 2024	-	1,251,000	1,251,000	-	-
At 1 January 2024	259,024	952,748	1,211,772	-	-

Intangible assets consist of computer software and licenses used by the Group for recording transactions and reporting purposes. The Group's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

Notes to the Consolidated and Separate Financial Statements

19 Financial assets

Financial assets include the following:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Fair value through OCI				
Listed securities:				
Consolidated Hallmark Insurance Plc	11 253 055	9,502,827	11,250,184	9,502,827
Guaranty Trust Holding Company Plc	5,896,212	-	5,896,212	-
Unlisted securities:				
PetroData Management Services Ltd	4,694	57,295	4,694	57,295
Dharmattan Gas and Power Ltd	462	562	462	562
Ever Oil & Gas Depot (Harbourview)	3,197,848	1,050,159	3,197,848	1,050,159
Chappal Energies	765 147	-	-	-
At Amortised Cost				
Corporate Bond	4,305,900	4,648,949	4,305,900	4,648,949
Deposit for shares - Guaranty Trust Holding Company Plc	-	2,892,543	-	2,892,543
Deposit for shares - Renaissance	-	25,136,089	-	-
	25,423,318	43,288,424	24,655,300	18,152,335
19.1 Other financial assets				
Fair value through Profit or Loss				
Hedge	1 466 184	496,045	-	-
Total	1 466 184	496,045	-	-
Financial assets:				
Listed securities	17 149 267	9,502,827	11,250,184	9,502,827
Unlisted securities	8 274 051	33,785,597	13,405,116	8,649,508
	25,423,318	43,288,424	24,655,300	18,152,335
19.2 Changes in Financial assets				
	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Balance at 1 January	43,784,469	4,364,184	18,152,335	4,051,382
Crude Oil Hedge	4,316,150	2,735,940	-	-
FV Loss through Profit or Loss (Hedge)	(8,690,211)	(5,053,017)	-	-
Hedge Cost Capitalized	4,070,228	2,379,673	-	-
Corporate Bond	4,495,167	4,605,960	-	4,605,960
Bond Liquidation	(4,495,167)	-	-	-
Deposit for shares - Guaranty Trust Bank Plc	-	2,783,535	-	2,783,535
Ever Oil & Gas Depot (Harbourview)	3,380,099	1,050,159	3,380,099	1,050,159
Chappal Energies	36,410,400	-	-	-
Impairment - Chappal	(5 618 222)	-	-	-
Interest on Financial Asset	361,070	-	-	-
Deposit for shares - Renaissance	-	25,136,089	-	-
Investment in Renaissance	70,825,814	-	-	-
Transfer to Investment in Renaissance	(89,706, 250)	-	-	-
Transfer to receivables	(845,025)	-	-	-
Net gain on equity instruments at fair value through other comprehensive income	(24,624,591)	5,244,638	5,717,409	5,244,638
Bond Amortization	(28,825)	47,595	(28,825)	47,595
Acquired in business combination	1,290, 048	-	-	-
Foreign Exchange	(8,035, 652)	489,713	(2,565,718)	369,066
Current Value	26,889,502	43,784,469	24,655,300	18,152,335

The Group has designated its equity investments as FVOCI on the basis that these are not held for trading. Instead, they are held for medium to long term strategic purposes. In 2025, the Group received ₦247.9 million (2024: ₦130.9 million) from Consolidated Hallmark Insurance Plc; ₦182,503.05 (2024: Nil) from Dharmattan Gas and Power Ltd; ₦32.9 million (2024: ₦13.9 million) from PetroData Management Services Ltd which was recorded in the income statement as other income.

During the year, the Group recognized a fair value loss on of its equity investment in Chappal Energies, which had been designated at fair value through other comprehensive income (FVOCI) at initial recognition. The cumulative fair value loss has been transferred to fair value reserve within equity.

A fair value reserve gain of financial assets at FVOCI of ₦5.7 billion (2024: ₦5.2 billion) was recorded in the Group and Company respectively

Notes to the Consolidated and Separate Financial Statements

19.2 Changes in Financial assets (cont'd)

New Investments

Crude oil hedge: In Q1 2025, the Group entered an economic crude oil hedge contract with an average strike price of \$55/bbl. for 505,000 barrels at an average premium price of \$1.50. The tenor of the hedge is from April 2025 to December 2025. In Q2 2025, the Group entered an economic crude oil hedge contract with an average strike price of \$55/bbl. for 588,000 barrels at an average premium price of \$3.55. The tenor of the hedge is from October 2025 to March 2026.

Debt Instrument: Aradel invested in a Federal Government Naira Bond in Q1 2025. The bond tenor is 90days and the target yield is 22% per annum payable upon maturity. The bond was liquidated in Q2 2025

Chappal Energies: In Q2 2025 Aradel completed the payment of the purchase consideration of ₦36 billion (\$24 million) for the acquisition of a 6.01% equity stake in Chappal Energies Mauritius Limited. Chappal is an energy company focusing on investments in deep value and brownfield upstream opportunities within Africa.

In Q4 2025, the Company reassessed the fair value of its investment in Chappal following a review of Chappal's financial position and going concern status. Based on the outcome of this assessment, the fair value of the investment was reassessed and determined to have significantly deteriorated. Consequently, an unrealised fair value loss of ₦30.3 billion was recognised in other comprehensive income. The remaining carrying value was subsequently tested for impairment, and a loss allowance of ₦5.6 billion was recognised in profit or loss. The investment is carried at ₦0.8 billion as at 31 December 2025."

Ever Oil & Gas Depot (Harbourview) : Aradel made an investment of ₦1.1 billion to acquire a 50% equity stake in Ever Oil & Gas Depot, a tank farm located in Port Harcourt, Rivers State, Nigeria. Aradel Group holds a total equity stake of 50%.

The total value paid for new investments acquired during the year amounted to ₦12.0 billion.

20 Investment in associate - ND Western Limited

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
At 1 January	489,968,207	270,233,296	7,810,062	7,810,062
Share of profit	109,517,712	31,617,315	-	-
Dividend received	(13,270,074)	(3 995 168)	-	-
Impairment (Note 47)	(106,301,680)	-	-	-
Translation difference	(31,379,327)	-	-	-
Transfer to related party	-	-	(7,810,062)	-
Reclassified to business combination on obtaining control	(448, 534, 838)	-	-	-
Carrying amount at acquisition date - 31 December	-	489,968,207	-	7,810,062

Notes to the Consolidated and Separate Financial Statements

20 Investment in associate - ND Western Limited (cont'd)

On 31 December 2025, Aradel acquired an additional 40% equity stake in ND Western Limited. As at the reporting date, it was deemed immaterial to consolidate the income statement however, the statement of financial position has been consolidated resulting to the elimination of the investment in associate balance. The share of profit from ND Western Limited is reported in the income statement.

Transfer to related party relates to the transfer of control and subsequent reporting of Aradel Energy Limited's 41.67% equity stake in ND Western Limited.

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Share of Profit Included in PorL				
Share of profit - ND Western	109,517, 712	31,617,315	-	-
Total	109,517,712	31,617,315	-	-
Summarised statement of financial position			31-Dec-25	31-Dec-24
			N'000	N'000
Current assets			388,187,944	487,186,207
Non-current asset			1 369 537 063	1,366,803,277
Current liabilities			(149,356,643)	(184,832,569)
Non-current liabilities			(294 901 037)	(494,353,081)
Net assets			1 313 467 327	1,174,803,834
Group's share of net assets			547 282 432	489,505,515
Summarised profit or loss statement and other comprehensive income			31-Dec-25	31-Dec-24
			N'000	N'000
Revenue			369 901 123	530,056,888
Other income			121 669 514	(36,558,454)
Operating and Admin expenses			(304 207 181)	(258,217,477)
Net finance costs			(55 475 933)	(49,853,379)
Share of profit of an associate			178 377 584	-
Profit before taxation			310 265 107	185,427,578
Income tax			(47 424 702)	(109,546,629)
Profit after taxation			262 840 405	75,880,949
Proportion of Group's ownership			41.667%	41.667%
Group's share of profit for the year			109 517 712	31,617,315

Notes to the Consolidated and Separate Financial Statements

21 Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Deferred tax assets				
Acquired in business combination (Note 47)	(886,745,564)	-		
Origination / (reversal) of temporary differences	(4,710,521)	-		
Total	(891 456 140)	-	-	-
Deferred tax liabilities				
Accelerated depreciation and amortisation	56,834, 035	52,467,066	-	-
Decommissioning liabilities	1,090,332	884,618	-	-
Total	57,924, 367	53,351,684	-	-
Deferred taxation				
At start of year	53,351,684	18,386,481	-	-
Acquired in business combination (Note 47)	(886 745 619)			
Income statement charge	977,297	21,168,302	-	-
Translation difference	(1,115, 136)	13,796,901		
Net deferred tax liabilities/(assets) at end of year	(833,531, 773)	53,351,684	-	-
Reflected in the statement of financial position as:				
Deferred tax liabilities	57, 924, 367	53,351,684	-	-
Deferred tax assets	(891,456, 140)	-	-	-
Net deferred tax (asset)/liabilities	(833,531,773)	53,351,684	-	-

Deferred taxes are receivable in more than one year.

The Company has unrecognised deferred tax asset of ₦7.3 billion (2024: ₦7.3 billion) because it is not probable that future taxable profit will be available.

22 Inventories

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Crude Oil	-	22,024,124	-	-
Gas	-	-	-	-
Refined Products	3,556,442	5,815,021	-	-
Materials	79,341,938	19,063,107	-	-
Total	82,898,380	46,902,252	-	-

Notes to the Consolidated and Separate Financial Statements

22 Inventories (cont'd)

Included in Inventory is ₦49.1 billion from business combination, made up of materials and spares.

There were no write-downs of inventory during the year, and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year. The inventory charged to Cost of sales during the year amounted to ₦5.2 billion (2024: ₦5.4 billion) from business combination, made up of materials and spares.

The net movement in the value of inventory in the tank throughout the year is reflective in stock adjustments (Note 6)

23 Trade and other receivables

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	₦'000	₦'000	₦'000	₦'000
Trade receivables	1,122,622,783	67,100,029	-	-
Other receivables	1,208,522,447	1,733,940	-	953,799
Related party receivables (Note 45)	-	-	303,676,446	189,536,578
	2,331,145,230	68,833,969	303,676,446	190,490,377
Allowance for expected credit losses	(202,760,020)	(80,716)	-	-
	2,128,385,210	68,753,253	303,676,446	190,490,377
Short term	1,730,680,210	68,753,253	-	-
Long term	397,705,000	-	-	-
Total	2,128,385,210	68,753,253	-	-

Included in Long term receivables is ₦397.7 billion acquired from business combination and deferred consideration on OML 17 which is receivable in 2028.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2,025	2024	2025	2024
	₦'000	₦'000	₦'000	₦'000
As at 1 January	80,716	39,247	-	-
Impairment charge on financial assets	626,093	13,221	-	-
Acquired in business combination	202,051,601	-	-	-
Translation difference	1,610	28,248	-	-
As at 31 December	202,760,020	80,716	-	-

Trade receivables are non-interest bearing and are generally on 30-90 day terms.

Other receivables relate principally to ₦1.2 trillion acquired from business combination.

The charge of allowance for expected credit losses on trade and related party receivables is ₦669 million (Group) and Nil for Company (2024: ₦13.2m - Group & Nil for Company). The charge of expected credit losses arose from reassessment.

The Company had no expected credit loss provision as majority of the related party receivables relate to dividend. This is payable to the parent entity by its subsidiaries.

Notes to the Consolidated and Separate Financial Statements

24	Security deposit	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		N'000	N'000	N'000	N'000
	Security deposit	3,746,796	-	-	-
	Total	3,746,796	-	-	-

Security deposits were acquired through business combinations and relate to deposits made to guarantee gas supply obligations.

25	Right of use assets	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		N'000	N'000	N'000	N'000
	At 1 January	-	-	-	-
	Movements during the year	35,472,004	-	-	-
	Total	35,472,004	-	-	-

Right-of-use assets of ₦35.5 billion were acquired through business combinations and relate principally to leases of well drilling rigs and workover units used in upstream operations.

26	Prepayments	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		N'000	N'000	N'000	N'000
	Prepaid rent	106,018	958	-	-
	Prepaid expenses	43,640,068	3,496	-	-
	Prepaid insurance	907,021	328,528	-	8,470
	Total	44,653,107	332,982	-	8,470

Included in Prepaid expenses is ₦43.3 billion acquired from business combination.

27	Cash and cash equivalents	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		N'000	N'000	N'000	N'000
	Cash and bank balances	1,379,047,331	213,295,416	3,279,969	58,685,446
	Short term deposits	125,629,138	198,505,836	15,196,458	15,670,153
	Cash and cash equivalents for statement of cashflow purposes	1,504,676,469	411,801,252	18,476,427	74,355,599
	Restricted cash	23,675,274	10,404,864	-	-
	Total Cash and cash equivalents	1,528,351,743	422,206,116	18,476,427	74,355,599

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months.

Restricted cash relates to cash used as collateral for the GT Bank loans as well as ₦12.5 billion acquired from business combination. The Group/Company cannot withdraw or physically access the cash due to restrictions placed on the accounts by the banks.

Notes to the Consolidated and Separate Financial Statements

28 Share capital and premium

Share capital and premium – THE GROUP

Issue of Shares	Number of shares	Ordinary shares (N'000)	Share premium (N'000)	Total (N'000)
Balance at 31 December 2024	4,344,844,360	2,172,422	22,819,670	24,992,092
Balance at 1 January 2025	4,344,844,360	2,172,422	22,819,670	24,992,092
- Issue of shares	-	-	-	-
Balance at 31 December 2025	4,344,844,360	2,172,422	22,819,670	24,992,092

Share capital and premium – THE COMPANY

Issue of Shares	Number of shares	Ordinary shares (N'000)	Share premium (N'000)	Total (N'000)
Balance at 31 December 2024	4,344,844,360	2,172,422	22,819,670	24,992,092
Balance at 1 January 2025	4,344,844,360	2,172,422	22,819,670	24,992,092
- Issue of shares	-	-	-	-
Balance at 31 December 2025	4,344,844,360	2,172,422	22,819,670	24,992,092

Share premium represents the excess of the market value of the total issued share capital over the nominal value

	Number of shares	Amount (N'000)
Authorised Share capital	4,344,844,360	2,172,422
Issued and fully paid-up	4,344,844,360	2,172,422

29 Borrowings

	THE GROUP		THE COMPANY	
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-25 N'000	31-Dec-24 N'000
GTB	406 159 674	49,120,544	-	-
IFC	54,322,357	-	-	-
Stanbic IBTC	355,908,368	-	-	-
BOI loan	672,392	4,706,593	-	-
Bond	9,283,828	11,138,777	9,283,828	11,138,777
Loan from related party	153,749	31,326,609	-	-
Petre IPINs	106,747	106,747	-	-
Standard Chartered Bank	1,176,799,599	-	-	-
Total	2 003 406 714	96,399,270	9,283,828	11,138,777
	-	-	-	-
Current	438,920,481	55,454,223	-	-
Non-current	1 564 486 233	40,945,047	9,283,828	11,138,777
Total	2 003 406 714	96,399,270	9,283,828	11,138,777

Notes to the Consolidated and Separate Financial Statements

29 Borrowings (cont'd)

Guaranty Trust Bank Plc (GTB)

GT Bank loans comprise:

- 2 facilities: out of a US\$120million facility, a drawn amount of US\$84million and 10million which were secured in 2022 and 2023 respectively. The loans are repayable every quarter, starting from January 2023 (for the earliest facility) to August 2027 (for the most recent facility). The loans are secured by: all assets debenture on fixed and floating assets in the Ogbel Field; assignment and domiciliation of crude oil sales proceeds to GTB; charge over collection accounts and a corporate guarantee of Aradel Holdings Plc. for the full facility amount and interest thereon. Interest is payable at 11% per annum (Effective Interest Rate: 13.68% and 11.15%). The outstanding amount on the loan is US\$74million.
- a corporate loan facility of \$340 million acquired from business combination. The loan has a maximum tenor of 7 years, ending June 2029. In 2025, \$158.48million (2024: \$126.52 million) was drawn down on the facility."

International Finance Corporation (IFC)

IFC loan of US\$40million facility was obtained in August 2025. It is repayable quarterly for 5 years (20230). Interest is payable is based on 3 month SOFR +5.5% Relevant spread per annum + Credit adjustment. The outstanding amount on the loan US\$40million. There is moratorium on principal repayment until 15th September 2026.

Stanbic IBTC

Stanbic IBTC loan of US\$250million is repayable quarterly, with a tenure of 5 years. The loans is secured by: all assets debenture on fixed and floating assets in the Ogbel Field; floating charge on the crude oil produced from the acreage operated by in OML 54, assignment and domiciliation of crude oil sales proceeds to Stanbic IBTC; charge over collection accounts and a corporate guarantee of Aradel Holdings Plc for the full facility amount and interest thereon. Interest is payable at a fixed margin of 6% plus SOFR. The outstanding amount on the loan is US\$250million.

Bank of Industry Ltd (BOI)

BOI loan also represents an additional \$10million facility from the Bank of Industry, obtained in February 2021. It is repayable monthly, over 5 years. It is secured by a Bank Guarantee from First City Monument Bank (FCMB). Interest is payable at 8% per annum (Effective Interest Rate: 6.81%). The outstanding amount on the loan US\$0.5million

N10B Series I Bond

Aradel Holdings Plc secured a ₦10 billion Bond Issue in December 2022, part of a ₦20 billion bond series. The proceeds from this issuance are being deployed to finance essential NGN-denominated projects. The Bond Issue witnessed a 3.18% oversubscription, and proceeds were received by the Company in January 2023. The Bond is repayable bi-annually, starting from July 2025 to January 2028. A 2-years moratorium was granted on principal payments which lapsed in January 2025. Interest is payable at 17% per annum (Effective Interest Rate: 16.99%). The outstanding amount on the bond is ₦9.2billion

Loan from related party

The Loan from related party represents advances from ND Western Limited, an Associate. The loans partly funded the investment deposit in respect of the Shell Petroleum Development Company acquisition through the Renaissance SPV. The funding was directly provided to the Renaissance SPV in a carry arrangement; hence, no cash was received by Aradel. This is a short-term facility, payable at an interest rate of 15%.

Notes to the Consolidated and Separate Financial Statements

29 Borrowings (cont'd)

Participating Investment Notes (Petre IPINs)

On 9th May 2003, by a Share Purchase Agreement ("SPA"), Aradel Holdings Plc acquired all the shares of Aradel Energy Limited of which the net consideration was paid to the then existing shareholders by issuing ordinary shares in Aradel Holdings of a total value of US\$ 2,113,738 at an agreed price of US\$ 0.30 per share and the issue of Irredeemable Participating Investment Notes of \$ 1.00 each to a value of US\$ 2,113,738 at an agreed price of \$1.00 per note. They are entitled to cashflow distributions.

Standard Chartered Bank

The debt facility, acquired as part of a business combination, comprises two tranches arranged with Standard Chartered Bank. The senior debt tranche consists of a US\$700 million facility bearing interest at SOFR plus 9% per annum, with a tenor of 5.5 years. The junior debt tranche amounts to US\$118 million, with interest rate of SOFR plus 12% per annum and a tenor of 7.0 years. The total debt facility amounts to US\$818 million.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

THE GROUP
31 December 2025

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
GTB	406,159,674	416,937,110	76,778,158	47,989,284	292,169,668	-
IFC	54,322,357	83,903,332	13,061,230	40,492,684	30,349,419	-
Stanbic IBTC	355,908,368	417,672,300	160,153,645	187,214,791	70,303,865	-
BOI loan	672,392	4,574,301	4,235,570	338,731	-	-
N10B Series 1 Bond	9,283,828	10,794,891	4,756,584	6,038,307	-	-
Loans from related party	153,749	-	-	-	-	-
Petre IPINs	106,747	-	-	-	-	-
Standard Chartered Bank	1,176,799,599	1,600,359,500	328,683,700	377,483,900	357,389,700	536,802,200
Total	2,003,406,714	2,534,241,435	587,668,888	659,557,697	750,212,651	536,802,200

31 December 2024

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
GTB	49,120,544	58,055,055	22,871,662	35,183,393	-	-
BOI loan	4,706,593	4,893,065	4,530,729	362,336	-	-
N10B Series 1 Bond	11,138,777	14,266,193	3,471,359	8,927,886	1,866,949	-
Loans from related party	31,326,609	31,326,669	31,326,669	-	-	-
Petre IPINs	106,747	977,999	977,999	-	-	-
Total	96,399,270	109,518,982	63,178,418	44,473,614	1,866,949	-

THE COMPANY
31 December 2025

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
N10B Series 1 Bond	9,283,828	10,794,891	4,756,584	6,038,307	-	-
	9,283,828	10,794,891	4,756,584	6,038,307	-	-

31 December 2024

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
N10B Series 1 Bond	11,138,777	14,266,193	3,471,359	8,927,886	1,866,949	-
	11,138,777	14,266,193	3,471,359	8,927,886	1,866,949	-

Notes to the Consolidated and Separate Financial Statements

29 Borrowings (cont'd)

The carrying amounts and fair value of the borrowings are as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Carrying amount:				
Borrowings	2,003,406 714	96,399,270	9,283,828	11,138,777
Total	2,003,406,714	96,399,270	9,283,828	11,138,777
Fair value:				
Borrowings	2,008, 329, 704	109,518,982	10,794,891	14,266,193
Total	2,008,329,704	109,518,982	10,794,891	14,266,193

The fair values are based on cash flows discounted using a rate based on the current borrowing rate of 11% for GTB and 8% for BOI. They are as level 2 fair values in the fair value hierarchy.

Changes in liabilities arising from financing activities

	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
At 1 January	96,399,270	61,971,902	11,138,777	11,131,874
Additional borrowing	503,790,300	-	-	-
Loan from related party	49,965,689	24,281,086	-	-
Repayment of borrowings	(116,575,481)	(32,439,025)	-	-
Repayment of interest	(26,628,139)	(9,444,797)	(1,744,665)	(1,734,185)
Acquired in business combination	1 476 457 998	-	-	-
Foreign exchange movement	(1,799,447)	31,789,127	(1,720,447)	(137,789)
Accrued interest	26,719,515	20,742,589	1,663,262	1,862,601
Remeasurements	(4,922,990)	(501,612)	(53,099)	16,276
At 31 December	2 003 406 714	96,399,270	9,283,828	11,138,777

Remeasurements are non-cashflow and relate to the effects of carrying borrowings at amortised cost using the effective interest rate method.

Notes to the Consolidated and Separate Financial Statements

30 Decommissioning liabilities

	THE GROUP	THE COMPANY
	N'000	N'000
Balance at 1 January 2024	65,161,229	-
Charged/(credited) to profit or loss:		
Provision no longer required	(45,238,257)	
Changes in estimated flows	(29,396,772)	-
Translation difference	44,448,090	-
Unwinding of discount due to passage of time	1,965,818	-
Balance at 31 December 2024	36,940,108	-
Balance at 1 January 2025	36,940,108	-
Charged/(credited) to profit or loss:		
Changes in estimated flows	(11,564,854)	-
Translation difference	(1,841,785)	-
Acquired in business combination (Note 47)	1 431 069 449	
Unwinding of discount due to passage of time	1,090,332	-
Balance at 31 December 2025	1 455 693 250	-

The Group makes full provision for the future cost of decommissioning oil & gas production facilities, refining facilities and pipelines on a discounted basis. The decommissioning provision represents the present value of decommissioning costs relating to these assets, which are expected to be incurred up to 2073. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made which Management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the assets cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain. Changes in estimate arise from the changes to the measurement inputs, which are inflation, discount rate, asset lifespan and cost estimates. The discount rate used in the calculation of the provision as at 31 December 2025 are; Oil 3.94% (31 December 2024 : 4.58%), Gas 4.84% (31 December 2024 : 4.78%), refining facilities 4.84% (31 December 2024 : 4.78%) . The inflation rate used in the calculation of the provision as at 31 December 2025 are; Oil 1.17 (31 December 2024: 2.95%), Gas 2.70% (31 December 2024: 2.95%), refining facilities 2.87 (31 December 2024: 2.95%) based on the US Dollar economic variables. Cost estimates were determined using activity based costing approach for 2025 and 2024. A reduction in decommissioning provisions is first adjusted against the asset (up to the present value of the liability). Any excess unabsorbed in PPE is released to P or L as provision no longer required.

Included in Decommissioning Liabilities is ₦1.4 trillion acquired from business combination.

Notes to the Consolidated and Separate Financial Statements

31 Contract Liabilities

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Down payments received	870,039	2,780,114	-	-
	870,039	2,780,114	-	-

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. This will exist when an entity has received consideration but has not transferred the related goods or services to the customer. The Group has recognised a liability in relation to contracts with refined products customers for the delivery of refined products which these customers are yet to receive but which cash consideration have been received by the Group as at the end of the reporting period.

For the purchase of refined products, the terms of payments relating to the contract with customers is advance payments. The refinery operates a 7-days sales cycle which includes product evacuation.

32 Trade, share based payment and other payables

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Accruals	10,662,690	-	-	-
Amounts due to related parties (Note 38)	-	-	134,918	588,028
Royalty payable & Other Statutory payables	141,502,132	38,852,103	-	-
Sundry creditors	1,452,354,335	22,032,869	3,067,380	1,086,986
Staff payable	-	22,378,697	-	-
Trade payables	792,012,823	37,040,682	-	-
Unclaimed dividend	979,419	547,828	979,419	547,828
		120,852,17		
	2,397,511,399	9	4,181,717	2,222,842

33 Lease Liability

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
At 1 January	-	-	-	-
Movements during the year	31,882,319	-	-	-
Total	31,882,319	-	-	-
Short term	31,882,319	-	-	-
Long term	-	-	-	-
Total	31,882,319	-	-	-

This represents lease contracts acquired through business combination. As at the end of the reporting period, the Group had four lease contracts in operation with maturities ranging from December 2025 to June 2026.

Notes to the Consolidated and Separate Financial Statements

34 Pensions & similar obligations

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
At 1 January		-		
Movements during the year	36,706,362	-	-	-
Total	36,706,362	-	-	-

This relates to defined benefit obligation arising through business combinations, comprising employee gratuity benefits and legacy Shell retiree medical plan benefits.

35 Environmental & legal provisions

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
At 1 January				
Movements during the year	55,300,674	-	-	-
Total	55,300,674	-	-	-

These represent provisions for environmental clean-up and legal claims acquired through business combinations.

36 Contingent Consideration

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Contingent Consideration	1,420,047,067	-	-	-
Total	1,420,047,067	-	-	-

The contingent consideration arose from the acquisition of ND Western Limited and Renaissance Africa Energy Company Limited and has been recognised as part of the provisional purchase price allocation for the business combination. The amount represents management's provisional estimate of the acquisition-date fair value of amounts that may become payable under the acquisition agreements.

The purchase price allocation remains provisional because the acquisition was completed on 31 December 2025, being the Group's reporting date, and the Group had not obtained all information necessary to finalise the valuation of the contingent consideration by the date, these financial statements were authorised for issue. The Group expects to finalise the valuation of the contingent consideration within the IFRS 3 measurement period, which will not exceed one year from the acquisition date. Any measurement period adjustments arising from new information about facts and circumstances that existed at the acquisition date will be accounted for retrospectively as part of the finalisation of the purchase price allocation.

Notes to the Consolidated and Separate Financial Statements

37 Taxation

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Hydrocarbon tax	8,630,782	10,465,777	-	-
Income tax expense	60 011 925	26,182,938	-	-
Minimum tax	-	938,117	-	-
Education tax	7,520,265	8,031,703	-	-
Under/(over) provision of prior year taxes	1 386 629	(9,086,792)	-	-
Foreign exchange adjustment	(860 089)	-	-	-
Total current tax	76 689 512	36,531,743	-	-
Deferred taxation				
Origination of temporary differences	977 297	21,168,302	-	-
Total deferred tax	977 297	21,168,302	-	-
Income tax expense	77,666,809	57,700,045	-	-

The Company did not incur corporate tax or minimum tax for the current and prior year, as it had no revenue. Its other income primarily comprises franked investment income, which has been subjected to withholding tax (WHT) as a final tax.

The movement in the current and petroleum income tax liability is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
At 1 January	35,402,305	14,421,838	-	578,195
Tax paid	(46 373 196)	(27,176,699)	-	(964,181)
Prior period (over)/under provision	1 386 629	(9,086,792)	-	-
Income tax charge for the year	75 302 883	45,618,535	-	-
Acquired in business combination (Note 46)	227 181 741	-	-	-
Foreign exchange difference	(4 379 227)	11,625,423	-	385,986
At 31 December	288 521 135	35,402,305	-	-

Reconciliation of effective tax rate

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Profit before income tax	835,009,557	316,772,492	140,969,128	166,965,434
Income tax using the weighted average domestic corporation tax rate	275,553,154	104,370,859	42,290,738	50,089,630
Non-taxable income	(252,705,130)	(36,048,957)	(42,290,738)	(50,089,630)
Disallowed expenses	127,400,795	7,896,346	-	-
Tax incentives	(81,488,904)	(18,565,294)	-	-
Minimum tax	-	938,117	-	-
Education tax	7,520,265	8,031,703	-	-
(Over)/under provision in prior years	1 386 629	(9,086,792)	-	-
Total income tax expense in income statement	77,666,809	57,700,045	-	-
Effective tax rate	10%	18%	0%	0%

Notes to the Consolidated and Separate Financial Statements

38 Subsidiaries

Aradel Holdings Plc ('the parent') controls the following subsidiaries:

		31-Dec-25	31-Dec-24
	Effective Ownership interest	N'000	N'000
Aradel Energy Limited	100%	50,000	50,000
Aradel Investments Limited	100%	1,243,205	1,243,205
Aradel Refineries Limited	95.04%	14,431,022	14,431,022
Aradel Gas Limited	100%	10,000	10,000
		15,734,227	15,734,227

Other subsidiaries controlled by Aradel Holdings Plc include ND Western Limited (81.667%) and Renaissance Africa Energy Holding Limited (53.33%) which are only consolidated at the Group. The stated ownership percentages reflect the Group's effective interests, taking into account both direct and indirect holdings, and are consolidated only at the Group level.

Notes to the Consolidated and Separate Financial Statements

38 Subsidiaries (cont'd)

Summarized statement of profit or loss

	<u>Aradel Energy Limited</u>		<u>Aradel Gas Limited</u>		<u>Aradel Refineries Limited</u>		<u>Aradel Investments Limited</u>	
	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>
	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
Revenue	568,394,568	482,711,460	132,823,810	79,487,859	218,221,840	187,663,551	121,368	118,374
Cost of sales	(383 140 086)	(202,719,818)	(73 871 216)	(37,095,888)	(157,285,276)	(148,820,675)	(189,607)	(144,054)
	185 254 482	279,991,642	58 952 594	42,391,971	60,936,564	38,842,876	(68,239)	(25,680)
Other income or Loss	31 293 263	7,296,821	71,482	(928,253)	(570,981)	(9,198,178)	39	1,296
Impairment Charge on financial assets and contract assets	(5 661 160)	(10,118)	(626 098)	(3,103)	-	-	-	-
General and Admin expenses	(90 103 995)	(55,121,147)	(684,364)	(573,457)	(3,593,173)	(4,122,759)	-	-
Share of profit of an associate	-	-	-	-	-	-	-	-
Net Finance income/(costs)	(11 816 081)	(9,492,717)	89,528	(37,686)	3,436,830	2,911,016	-	-
Profit / (Loss) before taxation	108 966 509	222,664,481	57,803,142	40,849,472	60,209,240	28,432,955	(68,200)	(24,384)
Tax (expense)/credit	(59 129 763)	(41,996,143)	(19 291 979)	(11,365,152)	(364 761)	(5,480,868)	(139 752)	(117,328)
Profit/(loss) after taxation	49 836 746	180,668,338	38 511 163	29,484,320	59 844 479	22,952,087	(207 952)	(141,712)
Other comprehensive income	(14 921 286)	65,456,119	(10 155 402)	75 409 923	(15 378 786)	63 081 872	(718,302)	3,660,524
Total comprehensive income	34 915 460	246,124,457	28 355 761	104 894 243	44 465 693	86 033 959	(926 254)	3,518,812

Summarised statement of financial position:

	<u>Aradel Energy Limited</u>		<u>Aradel Gas Limited</u>		<u>Aradel Refineries Limited</u>		<u>Aradel Investments Limited</u>		<u>ND Western Limited</u>	<u>Renaissance Africa Energy Holding Limited</u>
	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>	<u>31-Dec-25</u>	<u>31-Dec-24</u>
	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>
Assets										
Non-current										
Property plant & equipment	350,758,496	321,327,338	111,541,898	112,227,689	223,276,863	233,216,703	-	-	886 949 500	3 546 105 28
Right-of-use asset										35 472 00
Other property, plant and equipment	-	-	-	-	-	-	-	-	1 290 048	
Intangible assets	809,636	1,251,000	-	-	35,287	-	-	-	25 691 755	
Deferred tax assets	4 568 985	6,652,660	-	-	-	-	109 644	255,680	167 633 048	719,112,57
Investment property	-	-	-	-	-	-	9,117,765	9,865,614		
Financial assets	90 650 404	25,632,134	-	-	-	-	-	-		
Investment in associate- Renaissance	502 355 000	-							456 895 808	
Investment in Aradel Refineries	1 640 071	1,640,071	-	-	-	-	-	-		
Inventories	4,661,929	27,237,242	4,668,339	4,569,858	24,477,268	15,095,152	-	-		49,103,04
Trade and other receivables	114 711 091	136,673,903	180 560 272	134,836,853	36,457,156	3,182,391	2,622,441	3,307,817	269 185 930	1 811 317 02
Security Deposit									3,746,796	
Prepayments	1,236,830	324,512	-	-	95,216	-	3,105	-	445 222	42 858 05
Cash and cash equivalents	170,766,267	244,334,808	2,580,002	6,152,395	40,074,912	97,363,314	-	-	207,947,015	1 088 507 12
Total assets	1 242 158 709	765,073,668	299 350 511	257,786,795	324,416,702	348,857,560	11 852 955	13,429,111	2 019 785 122	7 292 475 11

Notes to the Consolidated and Separate Financial Statements

38 Subsidiaries (cont'd)

Summarised statement of financial position:

	<u>Aradel Energy Limited</u>		<u>Aradel Gas Limited</u>		<u>Aradel Refineries Limited</u>		<u>Aradel Investments Limited</u>		<u>ND Western Limited</u>	<u>Renaissance Africa Energy Holding Limited</u>
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Liabilities										
Non-current										
Borrowings	463,342,532	85,260,493	-	-	54,322,357	-	-	-	299,658,398	1 176 799 5
Pensions & similar obligations										36,706,3
Deferred tax liabilities	-	-	29,769,399	32,480,228	28 123 076	29,086,601	-	-		
Environmental clean-up & legal provisions										55,300,6
Decommissioning liabilities	22,878,388	21,987,889	811,608	863,651	933,805	14,088,568	-	-	162,875,687	1 268 193 7
Trade and other payables	498 206 747	393,233,549	121,076,947	22,998,346	8,212,792	100,029,485	1,572,338	2,216,890	229 620 479	2 127 487 3
Contract liabilities	-	-	-	-	870,039	2,780,114	-	-		
Taxation	42 637 636	31,315,291	18,696,139	2,192,404	-	1,883,858	5,619	10,752	14,163,230	213,018,6
Lease liability										31,882,3
Contingent Consideration										1 420 047 0
Total liabilities	1 027 065 303	531,797,222	170,354,093	58,534,629	92 462 069	147,868,626	1,577,957	2,227,642	706 317 794	6 329 435 7
Equity										
Deposit for shares	-	-	-	-	-	-	1,223,205	1,223,205		
Share capital	50,000	50,000	10,000	10,000	10,000	10,000	20,000	20,000	156 200	44 9
Share premium	-	-	-	-	16,765,000	16,765,000			18 587 800	717,578,2
Translation reserve	148 921 405	163,842,691	109 740 714	119,896,125	112 298 589	127,677,375	8 858 240	9,576,757	819 420 607	
Retained earnings	66 122 001	69,383,755	19,274,394	79,346,041	102 881 044	56,536,559	173 554	381,506	475 302 721	245 416 2
Total equity	215 093 406	233,276,446	128 996 418	199,252,166	231 954 633	200,988,934	10 274 999	11,201,468	1 313 467 329	963 039 4
Total liabilities and equity	1 242 158 709	765,073,668	299 350 511	257,786,795	324 416 702	348,857,560	11 852 956	13,429,110	2 019 785 122	7 292 475 1

Notes to the Consolidated and Separate Financial Statements

37 Subsidiaries (cont'd)

Property plant & equipment consist of:

	<u>Aradel Energy Limited</u>		<u>Aradel Gas Limited</u>		<u>Aradel Refineries Limited</u>		<u>Aradel Investments Limited</u>		<u>ND Western Limited</u>	<u>Renaissance Africa Energy Holding Limited</u>
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-25
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Oil and gas properties	344,845,601	318,117,243	111,541,898	112,227,689	221,008,316	232,500,918	-	-	856,591,603	3 546 105 286
Non oil and gas asset properties	5,912,895	3,210,095	-	-	2 303 834	715,785	9,117,765	9,865,614	30 357 897	
Total	350,758,496	321,327,338	111,541,898	112,227,689	223 312 150	233,216,703	9,117,765	9,865,614	886 949 500	3 546 105 286

Summarised statement of cash flows

	<u>Aradel Energy Limited</u>		<u>Aradel Gas Limited</u>		<u>Aradel Refineries Limited</u>		<u>Aradel Investments Limited</u>		<u>ND Western Limited</u>	<u>Renaissance Africa Energy Holding Limited</u>
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-25
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Net cash flows from operating activities	204 219 800	401,209,719	105 079 417	25,868,149	(91 142 551)	55,041,712	-	53,493	164,410,944	2 352 601 863
Net cash (used in) / from investing activities	(644 361 928)	(142,578,093)	(10 060 947)	(3,079,715)	(1 645 220)	(295,554)	-	(53,493)	(268,883,158)	(2 307 366 493)
Net cash flows used in financing activities	365 604 857	(153,303,110)	(98 611 500)	(17,756,160)	37 742 346	(14,454,514)	-	-	51,772,176	1 105 312 030
Net increase/(decrease) in cash and cash equivalents	(74 537 272)	105,328,516	(3 593 029)	5,032,274	(55 045 425)	40,291,644	-	-	(52,700,038)	1 150 547 401

Notes to the Consolidated and Separate Financial Statements

39 Commitments

As at 31 December 2025, the capital commitments in respect of PPE expenditures amounts to ₦51.7 billion (2024: ₦45.3 billion).

40 Contingencies

The Group has contingent liabilities in respect of legal suits against Aradel Energy Limited as the operator of the Ogbele oil field. The possible liabilities from these cases amount to ₦757 billion (2024: ₦2,042 billion). These have not been incorporated in these financial statements. The directors on the advise of the Group's solicitors are of the opinion that the Group will not suffer any loss from these claims.

41 Translation reserve

Included in translation reserve are share of other comprehensive income of an associate and foreign currency translation reserve.

42 Fair value reserve

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

43 Non-Controlling Interest

Non-Controlling Interests represent the 5.02% ownership stake in Aradel Refineries Limited, 18.33% ownership stake in ND Western Limited and 46.67% ownership stake in Renaissance Africa Energy Holding Company Limited held outside the Group.

Name of subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interest		Total Comprehensive Income allocated to non-controlling interests for the year		Non-controlling interest	
		12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
		%	%	₦'000	₦'000	₦'000	₦'000
Aradel Refineries Limited	Nigeria	5.02	4.96	3,302,547	3,131,210	10,001,171	8,659,222
ND Western Limited	Nigeria	18.33	-	-	-	197,350,878	-
Renaissance Africa Energy Company Ltd	Nigeria	46.67	-	-	-	450,626,788	-
Total				3,302,547	3,131,210	657,978,837	8,659,222

44	*Dividend paid and proposed	The Group		The Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
	Cash dividends on ordinary shares declared and paid				
	Final dividend for 2024: 22 Naira per share (2023: 8.5 Naira per share)	95,586,576	36,931,177	95,586,576	36,931,177
	Interim dividends on ordinary shares declared and paid				
	Interim dividend for 2025: 10 Naira per share (2024: 8 Naira per share)	43,448,444	34,758,755	43,448,444	34,758,755
	Total cash dividend paid during the year	139,035,020	71,689,932	139,035,020	71,689,932
	Proposed dividends on ordinary shares				
	Final dividend for 2025: 23 Naira per share (2024: 22 Naira per share)	99,931,420	95,586,576	99,931,420	95,586,576

45 Related party disclosures

The consolidated financial statements include the financial statements of Aradel Holdings Plc and the subsidiaries listed in the following table:

	Country of incorporation	% effective equity interest	
		2025	2024
Aradel Energy Limited	Nigeria	100	100
Aradel Gas Limited	Nigeria	100	100
Aradel Investments Limited	Nigeria	100	100
Aradel Refineries Limited	Nigeria	94.98	95.04
ND Western Limited	Nigeria	81.67	*41.67
Renaissance Africa Energy Holdings	Nigeria	53.33	-

*As at 31st December 2025 Aradel acquired additional 40% ownership interest in ND western Limited. In 2024 ND Western Limited remained an associate company in which the Group has a 41.667% ownership interest.

Notes to the Consolidated and Separate Financial Statements

45 Related party disclosures (cont'd)

The ultimate parent of the Group is Aradel Holdings Plc.

Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The summarised financial statements of these subsidiaries are presented in Note 38.

The following transactions were carried out with related parties:

THE GROUP

(a) Sales of goods and services

	2025	2024
	N'000	N'000
Goods		
– ND Western Limited	Nil	Nil
Rendering of services:		
– Ultimate parent (legal and administration services)	Nil	Nil
Total	Nil	Nil

(b) Purchase of goods and services

	2025	2024
	N'000	N'000
Rendering of services:		
ND Western Limited (Borrowings)	153,749	24,281,086
Total	153,749	24,281,086

Goods and services are bought from associates and an entity controlled by key Management personnel on normal commercial terms and conditions.

(c) Key Management compensation

Key management includes: Directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key Management for employee services is shown below:

	2025	2024
	N'000	N'000
Salaries and other short-term employee benefits	11,021,600	6,449,632
Consultancy fee	268,280	-
Total	11,289,880	6,449,632

(c) Year-end balances arising from sales/purchases of goods/services

	2025	2024
	N'000	N'000
Payables to related parties		
ND Western Limited	153,749	24,281,086

The payable relates to Aradel's share of the cost of funding initial deposit by ND Western as part of the overall funding carried by ND Western for the investment in Renaissance

Notes to the Consolidated and Separate Financial Statements

45 Related party disclosures (cont'd)

THE COMPANY

(a) Purchase of goods and services

	2025	2024
	N'000	N'000
Purchase of services:		
– Entity under common control (Aradel Investments Limited)	5,741	5,919
Total	5,741	5,919

(b) Year-end balances arising from sales/purchases of goods/services

	2025	2024
	N'000	N'000
Receivables		
Aradel Energy Limited	191,316,856	154,818,387
Aradel Gas Limited	112,328,013	20,293,860
Aradel Refineries Limited	-	14,424,331
Aradel Investments Limited	31,577	-
Total	303,676,446	189,536,578
Payables		
Aradel Investments Limited	-	(588,028)
Aradel Refineries Limited	(134,918)	-
Total	(134,918)	(588,028)

46 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by the Group's senior management, under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's functional units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that changes in market prices - such as currency exchange rates and interest rates - will affect the Group's income or the value of its financial instruments. The aim of managing market risk is to manage exposures within acceptable parameters, while optimising return.

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to cash and cash equivalents that are denominated in currencies other than the Dollar. The Group enjoys a natural hedge in its Dollar functional currency.

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

(i) Currency risk (cont'd)

Exposure to currency risk

In managing currency risk, the Group aims to reduce the impact of short-term fluctuations on earnings. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the longer term, however, permanent changes in exchange rates would have an impact on profit. The Group and Company monitor the movement in the currency rates on an ongoing basis. In the prior year, the Company and Group's exposure to currency risk was considered immaterial. The Company's main exposure to currency risks as at 31 December 2025 arose from foreign currency denominated balances as follows:

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Financial asset				
Cash and cash equivalents	12,558,875	37,248,399	2,237,633	14,596,287
Trade and other receivables	5,220,186	11,939,850	-	76,750
Financial assets	17,151,552	12,453,227	14,453,188	10,610,843
Financial Liabilities				
Borrowings	(9,283,828)	(11,138,777)	(9,283,828)	(11,138,777)
Trade and other payables	(18,472,311)	(12,856,152)	(1,191,299)	(3,252,821)
Lease liability	(31,882,319)	-	-	-
Net exposure	(24 704 974)	37 646 547	6,215,694	10,892,282

Sensitivity analysis

A reasonably possible change of strength of the Naira, as indicated below, against the USD at 31 December would have increased/(decreased) profit by the amount shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

PROFIT OR LOSS	The Group		The Company	
20 PERCENT STRENGTHENING	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Increase in profit at 31 December	₦908 811 298	₦310,886,936	₦169,162,954	₦200,358,521

A weakening of the Naira against the above currency at 31 December would have had the equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remain constant.

The following significant exchange rate was applied during the year:

YEAR END SPOT RATE FOR US DOLLAR	
2025	2024
₦1,435.3	₦1,535.3

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments in financial assets (Consolidated Hallmark Investment and Guaranty Trust Bank) held by the Group. However, the Group is also exposed to commodity price risk in form of crude oil inventory, although, the Group had no crude oil inventory as at December 2025 arising from its overlift. Oil prices are determined by market forces which are beyond the control of the Group. Management is currently examining different strategies for managing this risk as market realities unfold. The sensitivity of the Group's earnings and equity to a change in the price of barrel of oil equivalent in the form of crude oil inventory and equity prices at year end is shown below:

	Change in year-end price	2025 N'000	2024 N'000
Barrels of oil equivalents	10%	-	24,226,536
	-10%	-	(24,226,536)
Refined Products	10%	3,912,086	6,396,523
	-10%	(3,912,086)	(6,396,523)
Equity prices	10%	12 378 361	404,509
	-10%	(12 378 361)	(404,509)

Crude Hedge

During the year, the Group entered into an economic crude oil hedge contract covering two distinct periods: from [Aug 2025 to Dec 2025] and [Oct 2025 to Mar 2026]. The contract provides price protection for a total volume of 1,093,000 barrels (505,000 and 588,000 barrels respectively) at an average strike price of ₦83,441/bbl. (\$55/bbl.). Premiums of ₦2,276/bbl. (\$1.50/bbl.) and ₦5,386/bbl. (\$3.55/bbl.) were agreed at the respective contract dates for each period.

The hedge arrangement is designed to mitigate the impact of crude oil price volatility on the Group's forecast sales, in line with its risk management strategy. The Group paid a total premium of ₦4.3 billion in the current year.

As at year-end, an unrealized fair value loss of ₦4.6 billion has been recognized in profit or loss.

The maturity of the crude oil hedge contracts the Group holds is shown in the table below:

As at 31 December 2025	Within 12 Months	Total	Fair value N'000
Crude oil hedges Volume (bbl.)	450,000	450,000	4,316,150
	Change in year-end price		Effect on profit before tax 2025 N'000
Increase/decrease in market inputs	10%		431,615
	-10%		(431,615)

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

(iii) Cash flow and interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to this risk as it does not have a floating interest rate instrument.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), and deposits with banks and financial institutions.

Exposure to credit risk

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Trade and other receivables	2,128,385 210	68,753,253	303,676,446	190,490,377
Cash and cash equivalents*	1 528 351 743	422,206,116	18,476,427	74,355,599
Total	3 656 736 953	490,959,369	322,152,873	264,845,976

*includes cash in hand and restricted cash

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The Group evaluates the concentration of risk with respect to trade receivables as Medium as customers consists of large and reputable oil and gas companies. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's Finance department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Group's Finance Director periodically and may be updated throughout the year subject to approval of the Finance Director. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

i Trade receivables

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade and other receivables using a provision matrix:

	31 December 2025			31 December 2024		
	Gross	Expected	ECL	Gross	Expected	ECL rate
	N'000	Credit Loss	rate	N'000	Credit Loss	
	N'000	N'000		N'000	N'000	
Current	786 680 022	134,255	0.02%	65,178,298	55,446	0.09%
<30 days	1,006,808,814	303,151	0.03%	1,902,409	10,583	0.56%
31-60 days	178,181,520	262,232	0.15%	19,376	1,739	8.98%
61-90 days	264,066,730	-	0%	-	-	0%
>90 days	95,408,145	8,781	0.01%	1,733,886	12,947	0.75%
Acquired from business combination	-	202 051 601		-	-	
Total	2 331 145 230	202 760 020		68,833,969	80,716	

By Geographical Location and Customer Type:

31-Dec-25

	Gross	Expected	ECL rate
		Credit Loss	
<i>Within Nigeria (Local Customers)</i>			
Current	323 790 100	134,255	0.04%
<30 days	321 015 966	215,413	0.07%
31-60 days	60 968 898	262,232	0.43%
61-90 days	89,104,785	-	0%
>90 days	30,892,544	-	0%
Total	825,772,294	611,900	

	Gross	Expected	ECL rate
		Credit Loss	
<i>Outside Nigeria (Foreign Customers)</i>			
Current	462 889 922	-	0%
<30 days	685 792 848	87,738	0.01%
31-60 days	117,212,621	-	0%
61-90 days	174,961,945	-	0%
>90 days	64,515,601	8,781	0.01%
Acquired from business combination	-	202,051,601	
Total	1 505 372 936	202,148,120	

By Geographical Location and Customer Type:

31-Dec-24

	Gross	Expected	ECL rate
		Credit Loss	
<i>Within Nigeria (Local Customers)</i>			
Current	19 649 919	8,602	0.04%
<30 days	1 902 409	10,583	0.56%
31-60 days	19 376	1,739	8.98%
61-90 days	-	-	0%
>90 days	-	-	0%
Total	21 571 704	20 924	

	Gross	Expected	ECL rate
		Credit Loss	
<i>Outside Nigeria (Foreign Customers)</i>			
Current	45 528 379	46 844	0%
<30 days	-	-	0%
31-60 days	-	-	0%
61-90 days	-	-	0%
>90 days	1,733,886	12,946	0.75%
Total	47 262 265	59 790	

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

(b) Credit risk (cont'd)

Movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2025	2024
	N'000	N'000
Balance as at 1 January	80,716	39,247
Writeback for expected credit losses	6 287 258	13,221
Translation difference	196 392 047	28,248
Changes in credit risk parameters	-	-
Balance as at 31 December	202 760 020	80,716

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and preference shares. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in funding its business activities and meeting obligations associated with financial liabilities. The Management monitors and manages liquidity but ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate management for the company short, medium and long-term funding and liquidity management requirements. The table below discloses the maturity profile of the company's financial liabilities and those financial assets used for managing liquidity risk.

The following are the contractual maturities of financial instruments:

GROUP

	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	Between 2 and 5 years
	N'000	N'000	N'000	N'000	N'000
2025					
Trade payable	31,743,600	31,743,600	31,743,600	-	-
Borrowings	2 003 406 714	2,534,241,435	587,668,888	659,557,697	1,287,014,851
Lease liability	31,882,319	31,882,319	31,882,319		
2024	N'000	N'000	N'000	N'000	N'000
Trade payable	37,040,682	37,040,682	37,040,682	-	-
Borrowings	96,399,270	109,518,982	63,178,418	44,473,614	1,866,949

COMPANY

	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	Between 2 and 5 years
	N'000	N'000	N'000	N'000	N'000
2025					
Trade payable	-	-	-	-	-
Borrowings	9,283,828	10,794,891	4,756,584	6,038,307	-
2024	N'000	N'000	N'000	N'000	N'000
Trade payable	-	-	-	-	-
Borrowings	11,138,777	14,266,193	3,471,359	8,927,886	1,866,949

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

d) Fair Value

The fair values of financial assets and liabilities have been included at the amount at which the instruments can be exchanged, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair values;

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term nature of these instruments.
- Long-term borrowings are evaluated by the Group based on parameters such as interest rates, specific country factors, and risk characteristics of the projects financed. The fair values are based on cash flows discounted using a rate based on the respective borrowing rates; Stanbic 6% + SOFR (2024: Nil), IFC 5% + SOFR (2024: Nil), GTB 11% (2024:11%) , BOI 8% (2024 8%), Bond 17% (2024: 17%) and loan from related party 15% (2024:15%).
- Fair value of unlisted equities is based on the dividend discount model
- Fair value of corporate bonds is based on price quotations at the reporting date.

The following table discloses the fair value measurement hierarchy of the Group's assets and liabilities.

	Date of valuation	Total N'000	Level 1 (quoted market price) N'000	Level 2 (observable market inputs) N'000	Level 3 (unobservable market inputs) N'000
Assets for which fair values are disclosed;					
Hedge	2025	1,466,471	-	1,466,471	-
Assets measured at fair value					
Listed equity securities	2025	22 506 110	22 506 110	-	-
Assets measured at fair value					
Unlisted equity securities	2025	3,203,004	-	-	3,203,004
Liabilities for which fair values are disclosed;					
Borrowings	2025	2 008 329 704	-	2 008 329 704	-
Assets for which fair values are disclosed;					
Hedge	2024	496,045	-	496,045	-
Assets measured at fair value					
Listed equity securities	2024	9,502,827	9,502,827	-	-
Assets measured at fair value					
Unlisted equity securities	2024	1,108,016	-	-	1,108,016
Liabilities for which fair values are disclosed;					
Borrowings	2024	96,900,882	-	96,900,882	-

There were no transfers between Level 1 and Level 2 during 2025

The following table discloses the fair value measurement hierarchy of the Company's assets and liabilities.

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

d) Fair Value (cont'd)

	Date of valuation	Total	Level 1 (quoted market price)	Level 2 (observable market inputs)	Level 3 (unobservable market inputs)
Assets measured at fair value;					
Listed equity securities	2025	17,146,396	17,146,396		
Assets measured at fair value;					
Unlisted equity securities	2025	3,203,004	-	-	3,203,004
Liabilities for which fair values are disclosed;					
Borrowings	2025	9,336,927	-	9,336,927	-
Assets measured at fair value;					
Listed equity securities	2024	9,502,827	9,502,827	-	-
Assets measured at fair value;					
Unlisted equity securities	2024	1,108,016	-	-	1,108,016
Liabilities for which fair values are disclosed;					
Borrowings	2024	11,122,501	-	11,122,501	-

There were no transfers between Level 1 and Level 2 during 2025

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis, are shown below for Group and Company:

31 December 2025

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of the input to fair value
AFS financial assets in unquoted equity shares	Dividend discount model (DDM)	Long-term growth rate for cash flows for subsequent years	6.0%	6% increase /(decrease) in the growth rate would result in an increase/(decrease) in fair value by ₦26.5m
		Cost of equity capital	32%/22%	2% increase/ (decrease) in the cost of equity capital would result in a decrease/(increase) in fair value by ₦5.0m
		Discount for lack of marketability	10%	This is not applicable in this financial year

31 December 2024

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of the input to fair value
AFS financial assets in unquoted equity shares	Dividend discount model (DDM)	Long-term growth rate for cash flows for subsequent years	11.9%	6% increase /(decrease) in the growth rate would result in an increase/(decrease) in fair value by ₦22.3m
		Cost of equity capital	34%/24%	2% increase/ (decrease) in the cost of equity capital would result in a decrease/(increase) in fair value by ₦4.3m
		Discount for lack of marketability	10%	This is not applicable in this financial year

Capital Management Disclosures

The Group and the Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the oil and gas industry, where the company operates;
- To safeguard the ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy are strictly observed when managing economic capital.

Notes to the Consolidated and Separate Financial Statements

46 Financial risk management (cont'd)

d) Fair Value (cont'd)

The gearing ratio is computed below:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Total interest bearing debt	2 003 406 714	96,399,270	9,283,828	11,138,777
Total Equity	2 148 276 043	1,404,109,963	349,076,855	293,189,451
Capital Gearing (Debt to Equity)	93%	7%	3%	4%
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Total Assets	9 896 139 369	1,749,835,623	362,542,400	306,551,070
Total Equity	2 148 276 043	1,404,109,963	349,076,855	293,189,451
Capital Gearing (Total Equity to Total Assets)	22%	80%	96%	96%

Notes to the Consolidated and Separate Financial Statements

47 Business Combination

On 31 December 2025, the Group announced that its wholly-owned subsidiary, Aradel Energy Limited, successfully completed the acquisition of an additional 40% equity interest in ND Western Limited ("NDW"), following the fulfilment of all regulatory and contractual conditions precedent. This acquisition results in the Group obtaining control over NDW in accordance with IFRS 10 Consolidated Financial Statements. Prior to the acquisition, the Aradel held 41.67% equity interest in ND Western Limited, which was accounted for as an investment in associate. With the completion of the transaction, Aradel's shareholding interest in NDW increased from 41.67% to 81.67%, and NDW has become a subsidiary of Aradel Energy Limited.

The acquisition also results in a material increase in Aradel's aggregate shareholding in Renaissance Africa Energy Company Limited, increasing its total indirect ownership in the company from 33.3% to 53.3%. The acquisition has been accounted for using the acquisition method in accordance with IFRS 3 Business Combinations.

Assets Acquired and Liabilities Assumed

The identifiable assets acquired and liabilities assumed were recognized at their provisional fair values as at the acquisition date:

	NDW N'000	RAEC N'000
Assets:		
Oil and gas properties	886 949 500	3,546,105,286
Other property, plant and equipment	-	-
Intangible assets	25 691 755	-
Deferred tax assets	167 633 048	719,112,571
Investment in associates	456 895 808	-
Right of use assets	-	35,472,004
Inventory	-	49,103,048
Security deposit	3,746,796	-
Trade and other receivables	174 758 863	1,811,317,023
Other assets	1,290,335	-
Prepayments	445 222	42,858,058
Cash and cash equivalents	207,947,015	1,076,034,092
Restricted cash		12,473,028
	1, 925,358,055	7,292,475,111
Liabilities:		
Borrowings	(299 658 398)	(1,176,799,599)
Asset retirement obligations	(162 875 687)	(1,268,193,762)
Deferred consideration	-	(1,420,047,067)
Pensions & similar obligations	-	(36,706,362)
Environmental & legal provisions	-	(55,300,674)
Trade and other payables	(135 193 412)	(2,124,894,191)
Lease liability	-	(31,882,319)
Current tax liabilities	(14 163 230)	(213,018,614)
	(611,890,727)	(6,326,842,588)
Total identifiable net assets at fair value	1,313,467,328	965,632,522

Notes to the Consolidated and Separate Financial Statements

47 Business Combination (cont'd)

Assets Acquired and Liabilities Assumed (cont'd)

The net assets recognised in the 31 December 2025 financial statements were initially determined based on their book values as at the acquisition date. These carrying amounts are subject to ongoing fair value assessment in accordance with IFRS 3 requirements. Any adjustments arising from the completion of the purchase price allocation exercise within the measurement period will be reflected prospectively and may impact the measurement of goodwill or any gain on bargain purchase recognised in the financial statements.

Summary of acquisition:

Book value of previously held equity stake as at 31st December 2025 (NDW: 41.67% & RAEC 12.5%)

	N'000
Carrying amount as at 1st January 2025	489,968,207
Investment during the year	89 706 250
2025 share of profit in associate	109 517 712
Dividend	(13,270,074)
Book value as at 31st December 2025	675 922 095

Impairment Computation

Cost of 40% investment	430,590,000
40% Grossed up	1,076,475,000
Investment in Associate @ 41.67%	448,534,838

Book value of previously held equity stake as at 31st December 2025	586 215 845
Translation difference	(31 379 327)

Remeasurement Gain/(Loss)	(106 301 680)
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Goodwill/Bargain Purchase Computation

Transfer Consideration	430,590,000
Book value of previously held equity stake as at 31st December 2025	538 241 088
NCI FV @ acquisition date	647 977 063
	1 616 808 151

Net asset @ acquisition	(1 822 204 042)
Translation difference	(11 704 437)
Gain on bargain purchase	(217 100 328)

The gain on bargain purchase represents the excess of the fair value of the net identifiable assets acquired over the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previously held equity interest in the acquired entity. The gain on bargain purchase recognised from NDW and RAEC as at 31 December is provisional as the Group has twelve months from the acquisition date to complete all assessments. The purchase price allocation is yet to be completed as at the time of this report. This is as a result of the complexities surrounding the allocation and the expertise as well as time required for the allocation.

Non-controlling Interests

Where applicable, non-controlling interests were measured at fair value of proportionate share of net identifiable assets

Notes to the Consolidated and Separate Financial Statements

47 Business Combination (cont'd)

Acquisition-related Costs

Transaction costs incurred in connection with the acquisitions amounted to N9.1 billion and have been expensed in General and administrative expenses in the statement of profit or loss

Post-acquisition results

The Group obtained control of the subsidiary on 31 December 2025, which is the reporting date. Accordingly, there are no post-acquisition profits or losses recognised in the consolidated financial statements for the period, as there has been no period between the acquisition date and the reporting date.

47.1 Net cash flow arising from acquisition of subsidiaries:

	2025
	N'000
47.1 Net cash flow arising from acquisition of subsidiaries:	
Cash consideration paid for acquisition of ND Western Limited	(430 590 000)
Cash consideration paid / Investment in Renaissance	(20 860 125)
Total cash consideration paid	(451 450 125)
Cash and cash equivalents acquired	1 283 981 108
Net cash inflow on acquisition of subsidiaries	832 530 983

Cash consideration paid / Investment in Renaissance represents Aradel's direct cash investment in Renaissance Africa Energy Holdings Limited which amounts to ₦20.9 billion out of a total consideration of ₦89.7 billion. The remaining ₦68.8 million was funded indirectly through ND Western Limited, with funds advanced directly to the Renaissance SPV for the SPDC acquisition deposit. The advances are recognised as a short-term related party loan. See (Note 29) for more details.

48 Staff information

(a) The average number of full time persons employed by the Company during the year was as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Number	Number	Number	Number
Management	11	11	-	-
Operations	179	167	-	-
Finance	15	14	-	-
Administration	71	77	-	-
Total	276	269	-	-

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	Number	Number	Number	Number
Less than 10,000,000	2	2	-	-
10,000,001 – 20,000,000	21	21	-	-
Above 20,000,000	253	246	-	-
Total	276	269	-	-

Notes to the Consolidated and Separate Financial Statements

49 Directors remuneration

The remuneration paid to the Directors (executive and non-executive) of the Company was:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
Emoluments (including salaries, bonuses, fees and sitting allowance)	8 545 145	6,294,435	3 071 241	1,375,078

Fees and other emoluments disclosed above include amounts paid to:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	N'000	N'000	N'000	N'000
The Chairman	235,389	162,543	235 389	162,543
The highest paid Director	2 920 635	2,435,596	235 389	162,543

50 Events after the reporting period

There was no event after the reporting date that could have had material effect on the financial position of the Group and the Company at 31 December 2025 and on the profit for the year ended on that date that have not been taken into account in these consolidated and separate financial statements.

OTHER NATIONAL DISCLOSURES

Consolidated and Separate Statement of Value Added

	THE GROUP				THE COMPANY			
	31-Dec-25		31-Dec-24		31-Dec-25		31-Dec-24	
	N'000		N'000		N'000		N'000	
Revenue	699,430,701		581,151,376		-		-	
Gain on bargain purchase	217 100 328		-		-		-	
Translation gain on Business combination	393 187 789		-		-		-	
Cost of bought in materials and services								
- Local	(224,127 685)		(98,841,261)		(4,254,875)		(899,146)	
	1 085 591 133		482,310,115		(4,254,875)		(899,146)	
Non-trading items	42 453 115		38,704,415		146,884,471		172,505,188	
Value added	1 128 044 248		521,014,530		142,629,596		171,606,042	
		%		%		%		%
Applied as follows:								
To employees:								
- Staff costs	94,810,158	8	51,127,423	10	50,305	-	110,506	-
To Government:								
- Royalty costs	90,236,200	8	50,270,592	10	-	-	-	-
- Taxes	76 689 512	7	36,531,743	7	-	-	-	-
To providers of funds:								
- Interest	26,522,469	2	22,206,795	4	1,610,163	1	1,878,877	1
To provide for the Company's future:								
-Depreciation, depletion and amortisation	81,465,864	7	80,637,228	15	-	-	-	-
- Deferred taxation	977 297	-	21,168,302	4	-	-	-	-
- Revenue reserve	757 342 748	67	259,072,447	50	140,969,128	99	166,965,434	99
	1 128 044 248	100	521,014,530	100	142,629,596	100	168,954,817	100

The value added represents the wealth created through the use of the Company's assets by its employees, Management and Board. This statement shows the allocation of that wealth to employees, providers of finance, shareholders and that retained for the future creation of more wealth.

Five-Year Financial Summary

THE GROUP

Statement of Comprehensive income

	YEAR ENDED				
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Revenue	699,430,701	581,151,376	221,142,379	66,109,481	51,567,661
Profit/(loss) before taxation	835 009 557	316,772,492	112,163,651	33,262,992	20,180,264
Taxation	(77 666 809)	(57,700,045)	(58,425,952)	(18,122,560)	9,222,753
Profit after taxation	757 342 748	259,072,447	53,737,699	15,140,432	29,403,017
Interim dividend per share	N10.00	N8.00	N1.50	-	-
Basic earnings per share	N173.62	N59.35	N12.1	N69.69	N135.35
**Final dividend per share	*N23.00	N22.00	N8.5	N1.8	N1.0
Return on equity	51%	19%	8%	5%	10%

*This is proposed dividend subject to ratification at the AGM

**On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (N0.50) each from Ten Naira (N10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (N0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (N10.00) each. The prior year dividend per share has been normalised for comparison.

Statement of financial position

	AS AT				
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Assets					
Property, plant and equipment	5 127 749 808	676,637,344	383,427,621	223,695,294	195,808,634
Intangible assets	26,538,229	1,251,000	1,211,772	467,553	779,671
Deferred tax assets	891 456 140	-	-	12,759,803	25,416,645
Investments in associates	-	489,968,207	270,233,296	132,532,480	116,663,243
Financial assets	25,423,318	43,288,424	4,051,382	1,852,291	2,180,659
Other receivables	397,705,000				
RoU Assets	35,472,004				
Total current assets	3 391 796 420	538,690,648	264,510,490	102,074,116	36,584,317
	9 896 139 369	1,749,835,623	923,434,561	473,381,537	377,433,169
Equity and liabilities					
Share capital	2,172,422	2,172,422	2,172,422	2,172,422	2,172,422
Share premium	22,819,670	22,819,670	22,819,670	22,819,670	22,819,670
Translation reserve	471 642 392	967,474,872	462,349,023	129,499,711	103,743,694
Deposit for shares	-	-	-	-	-
Fair value reserve of financial assets at FVOCI	(16,851,166)	7,773,425	2,528,787	266,922	595,290
Retained earnings	1 010 513 887	395,210,352	209,029,238	170,402,942	160,420,021
Non-controlling interests	657,978,838	8,659,222	5,745,441	1,603,967	1,483,095
Total non current liabilities	3 170 110 886	131,236,839	127,897,864	100,512,379	58,692,959
Total current liabilities	4 577 752 440	214,488,821	90,892,116	46,103,524	27,506,018
	9 896 139 369	1,749,835,623	923,434,561	473,381,537	377,433,169

Five-Year Financial Summary

THE COMPANY

Statement of Comprehensive income

	YEAR ENDED				
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Revenue	-	-	-	-	-
Profit/(loss) before taxation	140,969,128	166,965,434	40,835,545	2,450,913	1,765,287
Taxation	-	-	-	(308,760)	(108,066)
Profit after taxation	140,969,128	166,965,434	40,835,545	2,142,153	1,657,221
Interim dividend per share	N10.00	N8.00	N1.50	-	-
Basic earnings per share	N32.4	N38.4	N9.4	N3.68	N9.86
Final dividend per share	*N23.00	N22.00	N8.5	N1.8	N1.0
Return on equity	40%	57%	46%	4%	3%

*This is proposed dividend subject to ratification at the AGM

Statement of financial position

	AS AT				
	31-Dec-25 N'000	31-Dec-24 N'000	31-Dec-23 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Assets					
Property, plant and equipment	-	-	-	4,176,704	2,517,742
Intangible assets	-	-	-	-	15,110
Investments in associates	-	7,810,062	7,810,062	7,810,062	7,810,062
Investments in subsidiaries	15,734,227	15,734,227	15,734,227	15,452,665	15,452,665
Financial assets	24,655,300	18,152,335	4,051,382	2,180,659	1,004,753
Total current assets	322,152,873	264,854,446	85,546,082	28,386,300	26,685,741
	362,542,400	306,551,070	113,141,753	58,006,390	53,486,073
Equity and liabilities					
Share capital	2,172,422	2,172,422	2,172,422	2,172,422	2,172,422
Share premium	22,819,670	22,819,670	22,819,670	22,819,670	22,819,670
Translation reserve	168,863,161	120,627,274	17,266,187	7,701,621	5,452,921
Deposit for shares	-	-	-	-	-
Fair value reserve of financial assets at FVOCI	13,490,834	7,773,425	2,528,787	595,290	(580,616)
Retained earnings	141,730,768	139,796,660	44,521,158	21,351,822	20,730,365
Total non current liabilities	9,283,828	11,138,777	11,131,874	-	-
Total current liabilities	4,181,717	2,222,842	12,701,655	3,365,565	2,891,311
	362,542,400	306,551,070	113,141,753	58,006,390	53,486,073

Supplementary Information

ARADEL HOLDINGS PLC
Lagos, Nigeria

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(IN US DOLLARS)

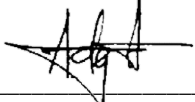
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

	Notes	THE GROUP		THE COMPANY	
		31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
Revenue	2	461,031	392,754	-	-
Cost of sales	3	(257,875)	(151,806)	-	-
Gross profit		203,156	240,948	-	-
Dividend income		2,868	98	95,637	117,231
Other (loss)/income	5	(58,969)	(6,092)	(11)	(2,168)
Gain on bargain purchase	6	143,102	-	-	-
Impairment loss	8	(4,145)	(9)	-	-
General and administrative expenses	7	(61,387)	(37,999)	(2,836)	(2,473)
Operating profit		224,625	196,946	92,790	112,590
Finance income	9	12,151	10,786	1,194	1,521
Finance costs	9	(17,482)	(15,009)	(1,061)	(1,270)
Net Finance (cost)/income		(5,331)	(4,223)	133	251
Share of profit of an associate	16	72,188	21,368	-	-
Profit before taxation		291,482	214,091	92,923	112,841
Tax expense	33	(52,878)	(38,994)	-	-
Profit after taxation		238,604	175,097	92,923	112,841
Profit attributable to:					
Equity holders of the parent		236,624	174,285	92,923	112,841
Non-controlling interest		1,980	812	-	-
		238,604	175,097	92,923	112,841
Other comprehensive income:					
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent years (net of tax):</i>					
Net gain/loss on equity instruments at fair value through other comprehensive income	15	3,519	3,465	3,519	3,465
Fair value loss on equity investment in Chappal Energies		(20,000)	-	-	-
Other comprehensive income for the year, net of tax		(16,481)	3,465	3,519	3,465
Total comprehensive income for the year		222,123	178,562	96,442	116,306
Total comprehensive income attributable to:					
Equity holders of the parent		220,143	177,750	96,442	116,306
Non-controlling interest		1,980	812	-	-
Basic & diluted earnings per share	12	\$0.054	\$0.040	\$0.021	\$0.026

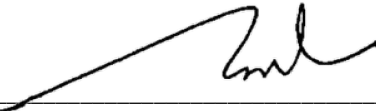
Consolidated and Separate Statements of Financial Position
As at 31 December 2025

		THE GROUP		THE COMPANY	
	Notes	31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
Assets					
Non-current assets					
Property, plant and equipment	13a	3,572,598	440,715	-	-
Intangible assets	14	18,489	815	-	-
Deferred tax assets	17	621,094	-	-	-
Financial assets	15	17,712	28,196	17,177	11,824
Investment in associate	16	-	319,131	-	50,000
Investment in subsidiaries	34	-	-	51,355	51,355
Other receivables	19	277,000	-	-	-
Right of use assets	21	24,714	-	-	-
Total non-current assets		4,531,607	788,857	68,532	113,179
Current assets					
Inventories	18	57,757	30,547	-	-
Trade and other receivables	19	1 205 884	44,780	211,577	124,071
Security deposit	20	2,610	-	-	-
Prepayments	22	31,111	218	-	6
Financial assets	15	1,022	323	-	-
Cash and Cash equivalents	23	1,048,335	268,217	12,873	48,429
Restricted cash	23	16,495	6,777	-	-
Total current assets		2 363 214	350,862	224,450	172,506
Total assets		6 894 821	1,139,719	292,982	285,685
Equity and liabilities					
Shareholders' equity					
Share capital	24	19,316	19,316	19,316	19,316
Share premium	24	78,955	78,955	78,955	78,955
Deposit for shares	-	-	-	-	-
Translation reserve	38	-	-	-	-
Fair value reserve of financial assets at FVOCI	38	(10,475)	6,006	9,525	6,006
Retained earnings		950,269	803,446	175,825	172,703
Total equity attributable to equity holders of the company		1,038,065	907,723	283,621	276,980
Non-controlling interest	39	458,426	6,258	-	-
Total shareholders' equity		1,496,491	913,981	283,621	276,980
Non-current liabilities					
Borrowings	25	1,090,569	27,237	6,468	7,255
Pensions & similar obligations	30	25,574	-	-	-
Deferred tax liabilities	17	40,358	34,749	-	-
Environmental & legal provisions	31	38,529	-	-	-
Decommissioning liabilities	26	1,014,208	24,060	-	-
Total non-current liabilities		2,209,238	86,046	6,468	7,255
Current liabilities					
Trade, share based payment and other payables	28	1 670 078	78,703	2,893	1,450
Contract liabilities	27	606	1,811	-	-
Taxation	33	201,018	23,059	-	-
Lease liability	29	22,213	-	-	-
Borrowings	25	305,804	36,119	-	-
Contingent Consideration	32	989,373	-	-	-
Total current liabilities		3 189 092	139,692	2,893	1,450
Total liabilities		5 398 330	225,738	9,361	8,705
Total equity & liabilities		6 894 821	1,139,719	292,982	285,685

The financial statements were approved and authorised for issue by the Board of Directors on 19 June 2026 and signed on its behalf by:


Adegbola Adesina
Chief Finance Officer
FRC/2021/001/00000024579


Adegbite Falade
Chief Executive Officer
FRC/2021/003/00000025055


Osten Olorunsola
Chairman
FRC/2025/PRO/DIR/003/043567

Consolidated and Separate Statements of Changes in Equity

THE GROUP	Share capital \$'000	Share premium \$'000	Fair value reserve of financial assets at FVOCI \$'000	Retained earnings \$'000	Total equity attributable to equity holders of the company \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2024	19,316	78,955	2,541	676,571	777,383	5,581	782,964
Profit for the year	-	-	-	174,285	174,285	812	175,097
Net gain on equity instruments at fair value through other comprehensive income	-	-	3,465	-	3,465	-	3,465
Total comprehensive income for the year	-	-	3,465	174,285	177,750	812	178,562
Issue of shares	-	-	-	-	-	-	-
Dividends to equity holders of the company	-	-	-	(47,410)	(47,410)	-	(47,410)
Distribution to NCI holders	-	-	-	-	-	(135)	(135)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	(47,410)	(47,410)	(135)	(47,545)
Balance at 31 December 2024	19,316	78,955	6,006	803,446	907,723	6,258	913,981
Balance at 1 January 2025	19,316	78,955	6,006	803,446	907,723	6,258	913,981
Profit for the year	-	-	-	236,624	236,624	1,980	238,604
Net gain on equity instruments at fair value through other comprehensive income	-	-	3,519	-	3,519	-	3,519
Write off of FVOCI equity investment	-	-	(20,000)	-	(20,000)	-	(20,000)
Share of other comprehensive income of associate accounted for using the equity method	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(16,481)	236,624	220,143	1,980	222,123
Dividends to equity holders of the company	-	-	-	(89,801)	(89,801)	-	(89,801)
Distribution to NCI holders	-	-	-	-	-	(1,270)	(1,270)
NCI arising from acquisition of subsidiaries	-	-	-	-	-	451,458	451,458
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(89,801)	(89,801)	450,188	360,387
Balance at 31 December 2025	19,316	78,955	(10,475)	950,269	1,038,065	458,426	1,496,491

Consolidated and Separate Statements of Changes in Equity

			Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity
THE COMPANY	Share capital \$'000	Share premium \$'000	\$'000	\$'000	\$'000
Balance at 1 January 2024	19,316	78,955	2,541	107,272	208,084
Profit for the year				112,841	112,841
Net gain on equity instruments at fair value through other comprehensive income	-	-	3,465	-	3,465
Total comprehensive income for the year	-	-	3,465	112,841	116,306
Dividends to equity holders of the company	-	-	-	(47,410)	(47,410)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	(47,410)	(47,410)
Balance at 31 December 2024	19,316	78,955	6,006	172,703	276,980
Balance at 1 January 2025	19,316	78,955	6,006	172,703	276,980
Profit for the year	-	-	-	92,923	92,923
Net gain on equity instruments at fair value through other comprehensive income	-	-	3,519	-	3,519
Total comprehensive income for the year	-	-	3,519	92,923	96,442
Dividends to equity holders of the company	-	-	-	(89,801)	(89,801)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(89,801)	(89,801)
Balance at 31 December 2025	19,316	78,955	9,525	175,825	283,621

Consolidated and Separate Statements of Cash Flows

	Notes	THE GROUP		THE COMPANY	
		31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
Profit before taxation		291,482	214,091	92,923	112,841
Adjustments:					
Interest expense	9	17,482	15,009	1,061	1,270
Interest income	9	(12,151)	(10,786)	(1,194)	(1,521)
Dividend received		(180)	(98)	(15,637)	(5,231)
Exchange (gain)/loss	5	(1,021)	(6,320)	938	(3,162)
Share of profit from associate	16	(72,188)	(21,368)	-	-
Gain on bargain purchase	40	(143,102)	-	-	-
Loss on Financial Asset at FV through PorL	15.2	5,728	3,415	-	-
Hedge Cost Capitalized	15.2	(2,683)	(1,608)	-	-
Depreciation of property, plant and equipment	11	53,325	53,818	-	-
Amortisation of intangible assets	11	374	678	-	-
Gain on disposal of equipment	5	(30)	-	(4)	-
Fair value loss on step acquisition	5	70,069	-	-	-
Impairment loss	8	3,705	9	-	-
Provision no longer required	3	(8,475)	(30,612)	-	-
Bad debt written off	7	208	2,312	-	-
Stock adjustment	3	26,494	(18,055)	-	-
Operating cash flows before movement in working capital		229,037	200,485	78,087	104,197
Movement in working capital:					
(Increase)/Decrease in trade and other receivables		(54,023)	12,410	(37,506)	(23,361)
(Increase)/Decrease in prepayments		(723)	(126)	6	(2)
(Increase)/Decrease in inventories		(19,493)	5,267	-	-
(Increase)/Decrease in restricted cash		(1,028)	6,132	-	6,249
(Increase)/Decrease in security deposit		-	-	-	-
(Decrease)/Increase in trade and other payables		(7,163)	16,055	1,312	(10,326)
(Decrease)/Increase in contract liabilities		(1,205)	(159)	-	-
Cash generated by operating activities		145,402	240,064	41,899	76,757
Tax paid	33	(30,567)	(17,701)	-	(628)
Net cash flows from / (used in) operating activities		114,835	222,363	41,899	76,129
Investing activities					
Interest received	9	11,932	10,755	1,213	1,490
Dividend received		8,927	2,798	15,637	5,231
Purchase of property, plant and equipment	13b	(72,744)	(87,360)	-	-
Purchase of intangible assets	14	(148)	(145)	-	-
Proceeds from disposal of assets	5	30	-	4	-
Purchase of financial assets	15.2	(32,036)	(7,836)	(2,228)	(5,497)
Proceeds from liquidation of Financial asset	15.2	2,963	-	-	-
Investment in Renaissance		-	-	-	-
Investment in ND Western	40.0	-	-	-	-
Acquired from business combination	40.0	-	-	-	-
Net cash inflow on acquisition of subsidiaries	40.1	580,823	-	-	-
Net cash (used in) / provided by investing activities		499,747	(81,788)	14,626	1,224
Financing activities					
Dividend paid to holders of the parent		(89,801)	(47,410)	(89,801)	(47,410)
Dividend paid to NCI holders		(1,270)	(135)	-	-
Interest paid	25	(17,552)	(6,383)	(1,150)	(1,172)
Repayment of borrowing	25	(76,841)	(21,923)	(1,130)	-
Additional borrowing	25	351,000	-	-	-
Net cash flows used in from financing activities		165,536	(75,851)	(92,081)	(48,582)
(Decrease)/Increase in cash and cash equivalents		780,118	64,724	(35,556)	28,771
Cash and cash equivalents - Beginning of year		268,217	203,493	48,429	19,658
Cash and cash equivalents - End of year	23	1,048,335	268,217	12,873	48,429

The accompanying notes and material accounting policies form an integral part of these financial statements

Notes to the Consolidated and Separate Financial Statements

1 Segment Reporting

Business segments are based on the Group's internal organisation and management reporting structure. The Group's operations cover 4 segments-Crude Oil, Gas, Refinery & Investment Properties. Some intersegment transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains committed to continuous value creation and accretion of the reserves. The reporting segments of the Group derive their revenues within, and outside Nigeria & goods are transferred at a point in time. The segment reports are also in line with the Group's accounting policies.

1.1 Segment profit/(loss) disclosure

	CRUDE OIL	GAS	REFINED	INVESTMENT	TOTAL		
	\$'000	\$'000	PRODUCTS	PROPERTIES	REPORTABLE	ELIMINATIONS	CONSOLIDATION
	\$'000	\$'000	\$'000	\$'000	SEGMENT	\$'000	\$'000
31 December 2025							
Revenue	374,658	87,551	143,841	80	606,130	(145,099)	461,031
Gain on bargain purchase	-	-	-	-	-	143,102	143,102
Operating costs (excluding depreciation and amortisation)	(267,993)	(46,862)	(109,958)	(48)	(424,861)	159,298	(265,563)
Depreciation and amortisation	(46,781)	(2,645)	(4,200)	(73)	(53,699)	-	(53,699)
Dividend income	99,094	-	-	-	99,094	(96,226)	2,868
Other income/(loss)	17,158	409	7,736	(4)	25,299	(84,268)	(58,969)
Impairment	(3,732)	(413)	-	-	(4,145)	-	(4,145)
Operating profit	172,404	38,040	37,419	(45)	247,818	(23,193)	224,625
Finance income	7,860	86	4,205	-	12,151	-	12,151
Finance costs	(15,515)	(27)	(1,940)	-	(17,482)	-	(17,482)
Share of profit from associate	-	-	-	-	-	72,188	72,190
Profit before taxation	164,749	38,099	39,684	(45)	242,487	48,995	291,482
Tax expense	(39,97067)	(12,717)	(241)	(92)	(52,02117)	(851)	(52,87968)
Profit after taxation	125,772655	25,382	39,443	(137)	190,460343	48,1445,215	238,604195,558
	CRUDE OIL	GAS	REFINED	INVESTMENT	TOTAL		
	\$'000	\$'000	PRODUCTS	PROPERTIES	REPORTABLE	ELIMINATIONS	CONSOLIDATION
	\$'000	\$'000	\$'000	\$'000	SEGMENT	\$'000	\$'000
31 December 2024							
Revenue	326,226	53,720	126,826	80	506,852	(114,098)	392,754
Operating costs (excluding depreciation and amortisation)	(128,962)	(22,832)	(99,328)	(24)	(251,146)	115,837	(135,309)
Depreciation and amortisation	(47,764)	(2,625)	(4,034)	(73)	(54,496)	-	(54,496)
Dividend income	117,231	-	-	-	117,231	(117,133)	98
Other (loss)/income	2,763	627	(6,210)	1	(2,819)	(3,273)	(6,092)
Impairment (loss)/writeback on financial assets and contract assets	(7)	(2)	-	-	(9)	-	(9)
Operating profit	269,487	28,888	17,254	(16)	315,613	(118,667)	196,946
Finance income	7,889	0	2,897	-	10,786	-	10,786
Finance costs	(14,053)	(26)	(930)	-	(15,009)	-	(15,009)
Share of profit from associate	-	-	-	-	-	21,368	21,368
Profit before taxation	263,323	28,862	19,221	(16)	311,390	(97,299)	214,091
Tax expense	(28,383)	(7,681)	(3,704)	(79)	(39,847)	853	(38,994)
Profit after taxation	234,940	21,181	15,517	(95)	271,543	(96,446)	175,097

1.1 Segment Asset and liability

The assets and liabilities are disclosed based on the operations of the reporting segments

	CRUDE OIL	GAS	REFINED	INVESTMENT	TOTAL		
	\$'000	\$'000	PRODUCTS	PROPERTIES	REPORTABLE	ELIMINATIONS	CONSOLIDATION
	\$'000	\$'000	\$'000	\$'000	SEGMENT	\$'000	\$'000
Total Segment Asset 30 December 2025							
TOTAL ASSET	5,132,770	2,036,225	226,067	8,255	7,403,277	(442,665)	6,960,612
TOTAL LAIBILITIES	2,477,533	1,224,641	(63,770)	(1,099)	3,637,307	1,826,816	5,464,121
31 December 2024							
TOTAL ASSET	451,063	154,669	227,224	8,747	841,703	298,016	1,139,719
TOTAL LAIBILITIES	295,376	25,179	95,447	1,451	417,463	(191,725)	225,738

Notes to the Consolidated and Separate Financial Statements

2 Revenue from contract with customers

2.1 Disaggregated revenue information

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Segments				
Crude Oil	290,089	252,529	-	-
Gas	32,015	19,043	-	-
Refined Products	138,927	121,182		
Total revenue	461,031	392,754	-	-
Geographical markets				
Within Nigeria	170,942	140,225	-	-
Outside Nigeria	290,089	252,529	-	-
Total revenue from contracts with customers	461,031	392,754	-	-
Timing of revenue recognition				
Goods transferred at a point in time	461,031	392,754	-	-
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	461,031	392,754	-	-

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of invoicing.

Sale of Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is made in advance.

	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Contract balances				
Trade receivables (Note 19)	97,925	43,704	-	-
Contract Liabilities (Note 27)	606	1,811	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities are considerations received from customers by the Group for which the related goods or services to the customers have not been transferred.

Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

3 Cost of sales

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Crude oil handling charges	55,918	64,404	-	-
Crude oil purchase- Third party	-	6,502	-	-
Depreciation and amortisation (Note 11)	51,330	52,856	-	-
Operational and maintenance expenses	27,858	16,508	-	-
Provision no longer required	(8,475)	(30,612)	-	-
Royalties and other statutory expenses	67,253	39,472	-	-
Staff costs (Note 10)	37,497	20,731	-	-
Stock Adjustments	26,494	(18,055)	-	-
Total	257,875	151,806	-	-

Operational and maintenance expenses include field expenses, insurance expense, consultancy fees, field community costs, repairs and maintenance, and materials & supplies.

Provision no longer required primarily relates to write back of ARO provision following the revision of oil & gas assets estimates. See more in (note 26).

Royalties and other statutory expenses include Royalties due to the FGN, NDDC Levy and other statutory expense.

Stock adjustment relates to the net movement in the value of inventory in the tank in the year.

Notes to the Consolidated and Separate Financial Statements

4 Dividend income

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Dividend received from Financial assets (Note 15.2)	180	98	183	98
Dividend received from Associate (Note 16)	-	-	8,747	2,700
Distribution from Renaissance Africa Energy Holding Limited	2,688	-	-	-
Distribution from Aradel Energy Limited	-	-	15,000	100,000
Distribution from Aradel Gas Limited	-	-	65,000	12,000
Distribution from Aradel Refineries Limited	-	-	6,707	2,433
	2,868	98	95,637	117,231

5 Other (loss)/income

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Crude handling income	9,283	698	-	-
Fee income	744	465	690	455
Gain on bargain purchase (net of taxes)	-	-	-	-
Gain on disposal of property, plant and equipment	30	-	4	-
Rental income	-	-	-	-
Miscellaneous	-	6,000	-	-
Fair value loss on step acquisition (ND Western) (Note 40)	(70,069)	-	-	-
Realized exchange (loss)/gain	22	(19,575)	233	(5,785)
Unrealized exchange gain/(loss)	1,021	6,320	(938)	3,162
Write-back of expected credit loss	-	-	-	-
Total	(58,969)	(6,092)	(11)	(2,168)

Crude handling income relates to income earned from the transportation of 3rd party crude to Bonny terminal.

Fee income relates to income from non trading activities.

The fair value loss on step acquisition of \$70 million relates to the remeasurement and write-down of ND Western's previously held interest following the acquisition of an additional 40% equity stake on 31 December 2025 See (Note 40) for more details.

Miscellaneous represents one-off transaction fees.

6 Gain on bargain purchase

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Gain on bargain purchase from acquisition (Note 40)	143,102	-	-	-
Total	143,102	-	-	-

The gain on bargain purchase represents the excess fair value of the net identifiable assets acquired over the purchase consideration, net of the deferred tax liability arising on the bargain purchase. See (Note 40) for more details.

7 General and administrative expenses

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Auditor's remuneration (Note 7.1)	253	202	81	46
Bank charges	1,184	974	125	485
Bad Debt (Note 7.2)	208	2,312	-	-
Depreciation and amortisation (Note 11)	2,369	1,640	-	-
Directors' fees	2,099	941	2,089	929
Fuel, utilities and travelling	1,867	1,984	15	28
Hedging (Note 7.3)	3,045	1,807	-	-
Permits, licenses and subscriptions	12,172	5,818	335	296
Professional fees (Note 7.4)	5,069	3,705	123	426
Repairs and maintenance	2,809	1,702	12	-
Staff costs (Note 10)	24,998	13,820	33	74
Other expenses (Note 7.5)	5,314	3,094	23	189
Total	61,387	37,999	2,836	2,473

Notes to the Consolidated and Separate Financial Statements

7 General and administrative expenses (cont'd)

7.1 Deloitte & Touche offered audit and assurance (related to the Internal control over Financial reporting -ICFR) services in the year 2025 and 2024. For 2025, the Group paid Audit Fee \$0.2532 million and ICFR \$0.03 million and for the Company, Audit Fee \$0.087 million and ICFR \$0.01 million.

The external auditor did not perform any non-audit or non-assurance services in the financial year.

7.2 Bad debt relates to write-off of long standing trade and other receivables that are deemed unrecoverable.

7.3 Hedging consist of hedge cost written off and FV Loss through profit or loss

7.4 Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

7.5 Other expenses consist of training fees, printing and stationery, catering and other related administrative costs incurred during the year.

8 Impairment loss

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Impairment loss on receivables Debt instruments measured at amortised cost -Corporate bonds (note 193)	(440)	-	-	-
Impairment loss on receivables & financial assets (Note 15.2 & 19)	(3,705)	(9)	-	-
	(4,145)	(9)	-	-

9 Finance cost and income

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Interest expense:				
Bank borrowings	13,306	10,730	-	-
Irredeemable Participating Investment Notes (IPIN) Interest	2,396	1,680	-	-
Provisions: unwinding of discount (Note 26)	719	1,329	-	-
Coupon on Bonds	1,061	1,270	1,061	1,270
Finance costs	17,482	15,009	1,061	1,270
Finance income:				
Interest income	12,151	10,786	1,194	1,521
Finance income	12,151	10,786	1,194	1,521
Net finance (costs)/income	(5,331)	(4,223)	133	251

10 Staff costs

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Included in cost of sales:				
Salaries and other staff costs	37,497	20,731	-	-
Included in general admin expenses:				
Salaries and other staff costs	24,998	13,820	33	74
Total	62,495	34,551	33	74
Salaries and other staff costs include the following:				
Salaries	13,207	9,114	-	-
Defined Contribution expenses	2,179	1,414	-	-
Share based payment	32,000	16,100	-	-
Other allowances	15,109	7,923	33	74
	62,495	34,551	33	74

10.1 Other allowances include staff bonus, medical allowances, outstation allowances, casual wages, ITF & NSITF charges

10.2 Share based payment

Aradel Plc issued a cash-settled share-based incentive scheme that requires the Group to pay a cash value that is dependent on the excess value on the company's baseline enterprise value (share value) to its Senior/Executive management employees. In accordance with the terms of the plan, as approved by shareholders at the 2024 Annual General Meeting (AGM), Senior/Executive Management employees, subject to at least 3 months of service, excluding those in notice period have been granted a cash-settled shared based payment plan and the value of the potential payment is determined using a performance-based formula. The vesting period is 3 years, from 2024 – 2026, with employees earning full value if they remain with the organisation during the scheme.

Notes to the Consolidated and Separate Financial Statements

10.2 Share based payment (cont'd)

Each eligible employee is entitled to an immediate cash payment equivalent to 40% of their compensation, and the balance is held in trust by a 3rd party trustee and will be released upon fulfilment of vesting conditions.

As at the reporting date, \$29 million (2024: \$9.7 million) representing the 60% cash held in trust was expected to be transferred to the trustee and a part payment of \$18.02 million has been made to the beneficiaries out of the 40% cash-based compensation. Of the \$18.02 million paid, \$5.14 million represents the balance payment from 2024 and \$12.88 million represents amounts due and paid in 2025. The Group recognised total expenses of \$32.0 million related to the cash-settled share-based payment transactions in 2025 (2024 :\$16.1 million).

11 Depreciation and amortisation

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Included in cost of sales:				
Depreciation of oil and gas properties (Note 13b)	51,330	52,856	-	-
Included in general admin expenses:				
Depreciation of other property, plant and equipment (Note 13c)	1,995	962	-	-
Amortisation of intangible assets (Note 14)	374	678	-	-
Total in general admin expenses	2,369	1,640	-	-
Total	53,699	54,496	-	-

12 Earnings per share

Basic - The GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the year

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Profit attributable to equity holders of the parent	236,624	174,285
Total	236,624	174,285
	31-Dec-25	31-Dec-24
	Number	Number
Weighted average number of ordinary shares in issue	4,344,844,360	4,344,844,360
Basic earnings per share (\$)	\$0.54	\$0.040

There are no potential diluted shares in the current and prior year, hence, the basic & diluted EPS are same

Basic – THE COMPANY

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the year

	31-Dec-25	31-Dec-24
	\$'000	\$'000
Profit attributable to equity holders of the company	92,923	112,841
	31-Dec-25	31-Dec-24
	Number	Number
Weighted average number of ordinary shares in issue	4,344,844,360	4,344,844,360
Basic earnings per share (\$)	\$0.0214	\$0.0260

There are no potential diluted shares in the current and prior year, hence, the basic & diluted EPS are same.

Notes to the Consolidated and Separate Financial Statements

13 Property, plant and equipment

13a		THE GROUP		THE COMPANY	
		31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
	Oil and gas properties (13b)	3,439,511	431,815	-	-
	Other property, plant and equipment (13c & 11d)	133,087	8,900	-	-
	Total	3,572,598	440,715	-	-

13b THE GROUP

OIL AND GAS PROPERTIES	Wells and Production Facilities \$'000	Civil works \$'000	Gas pipeline \$'000	Gas plant facilities \$'000	Assets under develop ment \$'000	Total \$'000
Cost:						
Balance at 1 January 2024	594,859	12,860	27,248	77,076	41,857	753,900
Reclassifications	61,424	1,974	-	-	(63,398)	-
Additions	20,796	653	102	2,006	62,236	85,793
Changes in decommissioning assets (Note 26)	(19,147)	-	-	-	-	(19,147)
Balance at 31 December 2024	657,932	15,487	27,350	79,082	40,695	820,546
Balance at 1 January 2025	657,932	15,487	27,350	79,082	40,695	820,546
Reclassifications	13,638	369	-	-	(14,007)	-
Additions	22,707	2	-	1,513	66,975	91,197
Changes in decommissioning assets (Note 26)	852	-	-	-	-	852
Acquired in business combination (Note 40)	12,012,601	-	-	-	1,044,725	13,057,326
Balance at 31 December 2025	12,707,730	15,858	27,350	80,595	1,138,388	13,969,921
Depreciation:						
Balance at 1 January 2024	297,605	8,899	8,326	21,045	-	335,875
Depreciation for the year	48,910	830	1,046	2,070	-	52,856
Balance at 31 December 2024	346,515	9,729	9,372	23,115	-	388,731
Balance at 1 January 2025	346,515	9,729	9,372	23,115	-	388,731
Depreciation for the year	47,441	813	985	2,091	-	51,330
Acquired in business combination (Note 40)	10,090,349	-	-	-	-	10,090,349
Balance at 31 December 2025	10,484,305	10,542	10,357	25,206	-	10,530,410
Net book value:						
At 31 December 2025	2,223,425	5,316	16,993	55,389	1,138,388	3,439,511
At 31 December 2024	311,417	5,758	17,978	55,967	40,695	431,815
At 1 January 2024	297,254	3,961	18,922	56,031	41,857	418,028

There are no impairments in Property, Plant, and Equipment during the year. See (Note 25) for assets pledged as collateral for borrowings. The capital commitments in respect of PPE expenditures amounts to \$36.0 million (2024: \$29.5 million).

The current year reclassification relates to settlement of completed drilling projects from asset under development to Wells and Production Facilities and civil works while the prior year reclassification relates to settlement of completed drilling projects from asset under development to Wells and Production Facilities and civil works.

Additions to PPE for the year totalled \$96.3 million per (Note 13). Of this, \$73 million represents cash payments made during the year and is reflected in the statement of cash flows under investing activities. The remaining balance of \$23 million relates to PPE capitalized but not yet settled in cash as at year end, and is therefore excluded from the cash flow statement.

Notes to the Consolidated and Separate Financial Statements

13c THE GROUP

OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery \$'000	Furniture and Fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Building \$'000	Land \$'000	Total \$'000
Cost:							
Balance at 1 January 2024	2,071	337	6,663	4,718	3,808	3,397	20,994
Translation difference	-	-	-	-	1	-	1
Additions	60	15	803	684	5	-	1,567
Balance at 31 December 2024	2,131	352	7,466	5,402	3,814	3,397	22,562
Balance at 1 January 2025	2,131	352	7,466	5,402	3,814	3,397	22,562
Translation difference	-	-	-	-	-	-	-
Additions	178	53	2,604	2,229	-	-	5,064
Disposals	(21)	-	(19)	(171)	-	-	(211)
Acquired in business combination (Note 40)	1,596	403	1,846	4,865	324,992	8,365	342,067
Balance at 31 December 2025	3,884	808	11,897	12,325	328,806	11,762	369,482
Depreciation:							
Balance at 1 January 2024	1,188	276	6,089	4,352	796	-	12,701
Translation difference	-	-	(1)	-	-	-	(1)
Depreciation for the year	145	41	378	325	73	-	962
Balance at 31 December 2024	1,333	317	6,466	4,677	869	-	13,662
Balance at 1 January 2025	1,333	317	6,466	4,677	869	-	13,662
Translation difference	(1)	-	1	-	-	-	-
Depreciation for the year	173	55	1,097	602	73	-	2,000
Disposal	(21)	-	(19)	(171)	-	-	(211)
Acquired in business combination (Note 40)	984	387	1,793	3,940	213,840	-	220,944
Balance at 31 December 2025	2,468	759	9,338	9,048	214,782	-	236,395
Net book value:							
At 31 December 2025	1,416	49	2,559	3,277	114,024	11,762	133,087
At 31 December 2024	798	35	1,000	725	2,945	3,397	8,900
At 1 January 2024	883	61	574	366	3,012	3,397	8,293

Notes to the Consolidated and Separate Financial Statements

13d THE COMPANY

OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery \$'000	Furniture and Fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Assets under development \$'000	Total \$'000
Cost:						
Balance at 1 January 2024	46	129	247	84	-	506
Balance at 31 December 2024	46	129	247	84	-	506
Balance at 1 January 2025	46	129	247	84	-	506
Disposals	(22)	-	-	(42)	-	(64)
Balance at 31 December 2025	24	129	247	42	-	442
Depreciation:						
Balance at 1 January 2024	46	129	247	84	-	506
Balance at 31 December 2024	46	129	247	84	-	506
Balance at 1 January 2025	46	129	247	84	-	506
Disposal	(22)	-	-	(42)	-	(64)
Balance at 31 December 2025	24	129	247	42	-	442
Net book value:						
At 31 December 2025	-	-	-	-	-	-
At 31 December 2024	-	-	-	-	-	-
At 1 January 2024	-	-	-	-	-	-

14 Intangible assets

	THE GROUP			THE COMPANY	
	License \$'000	Software \$'000	Total \$'000	Software \$'000	Total \$'000
Cost:					
Balance at 1 January 2024	2,500	2,292	4,792	701	701
Additions	-	145	145	-	-
Balance at 31 December 2024	2,500	2,437	4,937	701	701
Balance at 1 January 2025	2,500	2,437	4,937	701	701
Additions	-	148	148	-	-
Acquired in business combination (Note 40)	-	37,849	37,849	-	-
Balance at 31 December 2025	2,500	40,434	42,934	701	701
Amortisation:					
Balance at 1 January 2024	2,164	1,280	3,444	701	701
Amortisation charge for the year	336	342	678	-	-
Balance at 31 December 2024	2,500	1,622	4,122	701	701
Balance at 1 January 2025	2,500	1,622	4,122	701	701
Amortisation charge for the year	-	374	374	-	-
Acquired in business combination (Note 40)	-	19,948	19,948	-	-
Balance at 31 December 2025	2,500	21,944	24,444	701	701
Net book value:					
At 31 December 2025	-	18,490	18,489	-	-
At 31 December 2024	-	815	815	-	-
At 1 January 2024	336	1,012	1,348	-	-

Intangible assets consist of computer software and licenses used by the Group for recording transactions and reporting purposes. The Group's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

Notes to the Consolidated and Separate Financial Statements

15 Financial assets

Financial assets include the following:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Fair value through OCI				
Listed securities:				
Consolidated Hallmark Insurance Plc	7,836	6,189	7,836	6,189
Guaranty Trust Bank Plc	4108	-		
Unlisted securities:				
PetroData Management Services Ltd	4	38	4	38
Dharmattan Gas and Power Ltd	1	1	1	1
Ever Oil & Gas Depot (Harbourview)	2,228	684	2,228	684
Chappal Energies	535	-		
Amortized Cost				
Corporate Bond	3000	3,028	3,000	3,028
Deposit for shares - Guaranty Trust Bank Plc	-	1,884	4,108	1,884
Deposit for shares - Renaissance	-	16,372	-	-
Total	17,712	28,196	17,177	11,824

15.1 Other financial assets

Fair value through Profit or Loss				
Hedge	1022	323	-	-
Total	1,022	323	-	-
Total Financial assets	18,734	28,519		
Financial assets:				
Listed securities:	11,946	6,189	7,836	6,189
Unlisted securities:	6,788	22,007	9,341	5,635
Total	18,734	28,196	17,177	11,824

15.2 Changes in Financial assets

	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
At 1 January	28,519	4,853	11,824	4,505
Crude Oil Hedge	2,845	1,782	-	-
FV Loss through Profit or Loss (Hedge)	(5,728)	(3,415)	-	-
Hedge Cost Capitalized	2,683	1,608	-	-
Corporate Bond	2,963	3,000	-	3,000
Bond Liquidation	(2,963)	-	-	-
Deposit for shares - Guaranty Trust Holding Company Plc	-	1,813	-	1,813
Ever Oil & Gas Depot (Harbourview)	2,228	684	2,228	684
Chappal Energies	24,000	-		
Impairment on Chappal loan receivable	(3,705)			
Interest on Financial Asset	238	-		
Deposit for shares - Renaissance	-	16,372	-	-
Investment in Renaissance	46,685	-	-	-
Transfer to Investment in Renaissance	(62,500)	-	-	-
Transfer to receivables	(557)	-	-	-
FX Loss on Financial Assets	(373)	(1,675)	(375)	(1,675)
Net gain on equity instruments at fair value through other comprehensive income	(16,481)	3,465	3,519	3,465
Acquired in business combination	899			
Bond Amortization	(19)	32	(19)	32
Current Value	18,734	28,519	17,177	11,824

The Group has designated its equity investments as FVOCI on the basis that these are not held for trading. Instead, they are held for medium to long term strategic purposes. In 2025, the Group received \$161,617 (2024: \$83,768) from Consolidate Hallmark Insurance Plc; \$114 (2024: Nil) from Dharmattan Gas and Power Ltd; \$20,563 (2024: \$8,894) from PetroData Management Services Ltd which was recorded in the income statement as other income.

During the year, the Group recognized a fair value loss on of its equity investment in Chappal Energies, which had been designated at fair value through other comprehensive income (FVOCI) at initial recognition. The cumulative fair value loss has been transferred to fair value reserve within equity.

A fair value reserve gain of financial assets at FVOCI of \$3.5 million (2024: \$3.5 million) was recorded in the Group and Company respectively.

Notes to the Consolidated and Separate Financial Statements

15.2 Changes in Financial assets (cont'd)

New Investments

Crude oil hedge: In Q1 2025, the Group entered an economic crude oil hedge contract with an average strike price of \$55/bbl. for 505,000 barrels at an average premium price of \$1.50. The tenor of the hedge is from April 2025 to December 2025. In Q2 2025, the Group entered an economic crude oil hedge contract with an average strike price of \$55/bbl. for 588,000 barrels at an average premium price of \$3.55. The tenor of the hedge is from October 2025 to March 2026.

Debt Instrument: Aradel invested in a Federal Government Naira Bond in Q1 2025. The bond tenor is 90days and the target yield is 22% per annum payable upon maturity. The bond was liquidated in Q2 2025

Chappal Energies: In Q2 2025 Aradel completed the payment of the purchase consideration of \$24 million (₦36 billion) for the acquisition of a 6.01% equity stake in Chappal Energies Mauritius Limited. Chappal is an energy company focusing on investments in deep value and brownfield upstream opportunities within Africa.

In Q4 2025, the Company reassessed the fair value of its investment in Chappal following a review of Chappal's financial position and going concern status. Based on the outcome of this assessment, the fair value of the investment was reassessed and determined to have significantly deteriorated. Consequently, an unrealised fair value loss of \$20 million was recognised in other comprehensive income. The remaining carrying value was subsequently tested for impairment, and a loss allowance of \$3.7 million was recognised in profit or loss. The investment is carried at \$0.5 million as at 31 December 2025."

Ever Oil & Gas Depot (Harbourview) : Aradel made an additional equity investment of ₦1.1billion in Ever Oil & Gas Depot, a tank farm located in Port Harcourt, Rivers State, Nigeria. Aradel Group holds a total equity stake of 50%.

The total value paid for new investments acquired during the year amounted to \$32.0 million

16 Investment in associate - ND Western Limited

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
At 1 January	319,131	300,463	50,000	50,000
Share of profit	72,188	21,368	-	-
Dividend received	(8,747)	(2,700)	-	-
Transfer to related party	-	-	(50,000)	-
Impairment Note 40	(70,069)	-	-	-
Reclassified to business combination on obtaining control	(312,505)	-	-	-
	-	319,131	-	50,000

On 31 December 2025, Aradel acquired an additional 40% equity stake in ND Western Limited. As at the reporting date, it was deemed immaterial to consolidate the income statement however, the statement of financial position has been consolidated resulting to the elimination of the investment in associate balance. The share of profit from ND Western Limited is reported in the income statement.

Transfer to related party relates to the transfer of control and subsequent reporting of Aradel Energy Limited's 41.67% equity stake in ND Western Limited.

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Share of Profit Included in PorL				
Share of profit - ND Western	72,188	21,368	-	-
Total	72,188	21,368	-	-

Notes to the Consolidated and Separate Financial Statements

16 Investment in associate - ND Western Limited (cont'd)

Summarised statement of financial position	31-Dec-25 \$'000	31-Dec-24 \$'000
Current assets	336,247	317,319
Non-current asset	954,182	890,240
Current liabilities	(169,849)	(120,387)
Non-current liabilities	(205,463)	(321,987)
Net assets	915,117	765,185
Group's share of net assets	381,302	318,830
Summarised profit or loss statement and other comprehensive income	31-Dec-25 \$'000	31-Dec-24 \$'000
Revenue	243,821	358,224
Other income	80,199	(24,707)
Operating and Admin expenses	(200,519)	(174,509)
Net finance costs	(36,567)	(33,692)
Share of profit of an associate	117,578	-
Profit before taxation	204,512	125,316
Income tax	(31,260)	(74,034)
Profit after taxation	173,252	51,282
Other comprehensive income	-	-
Total comprehensive income	173,258	51,282
Proportion of Group's ownership	41.667%	41.667%
Group's share of profit for the year	72,188	21,368

Notes to the Consolidated and Separate Financial Statements

17 Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Acquired in business combination (Note 40)	(617,812)	-		
Origination / (reversal) of temporary differences	(3,282)	-		
Total	(621,094)	-	-	-
Deferred tax liabilities				
Accelerated depreciation and amortisation	40,034	34,151	-	-
Decommissioning liabilities	324	598	-	-
Total	40,358	34,749	-	-
Deferred taxation:				
At start of year	34,749	20,442	-	-
Acquired in business combination (Note 40)	(617,812)	-		
Income statement charge	2,327	14,306	-	-
Net deferred tax (assets)/liabilities at end of year	(580,736)	34,749	-	-
Reflected in the statement of financial position as:				
Deferred tax liabilities	40,358	34,749	-	-
Deferred tax assets	(621,094)	-	-	-
Net deferred tax (asset)/liabilities	(580,736)	34,749	-	-

Deferred taxes are receivable in more than one year.

The company has unrecognised deferred tax asset of \$5.1m (2024: \$4.8m) because it is not probable that future taxable profit will be available.

18 Inventories

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Crude Oil	-	14,345	-	-
Gas	-	-	-	-
Refined products	2,477	3,786	-	-
Materials	55,280	12,416	-	-
Total	57,757	30,547	-	-

Notes to the Consolidated and Separate Financial Statements

18 Inventories (cont'd)

Included in Inventory is \$34.2 million from business combination, made up of materials and spares

There were no write-downs of inventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year. The inventory charged to Cost of sales during the year amounted to \$3.5m (2024: \$2.5m).

The net movement in the value of inventory in the tank throughout the year is reflective in stock adjustments (note 3).

19 Trade and other receivables

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Trade receivables	782,152	43,704	-	-
Other receivables	842,000	1,129	-	620
Related party receivables (Note 35)	-	-	211,577	123,451
	1, 624,152	44,833	211,577	124,071
Allowance for expected credit losses	(141,266)	(53)	-	-
	1,482,886	44,780	211,577	124,071
Short term	1,205,884	44,780	211,577	124,071
Long term	277,000	-	-	-
Total	1,482,886	44,780	211,577	124,071

Included in Long term receivables is \$277m acquired from business combination

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
As at 1 January	53	44	-	-
Impairment charge on financial assets	440	9	-	-
Acquired in business combination	140,773	-	-	-
As at 31 December	141,266	53	-	-

Trade receivables are non-interest bearing and are generally on 30-90 day terms.

Other receivables relate principally to \$840million acquired from business combination.

The charge of allowance for expected credit losses on trade and related party receivables is \$441,000 (Group) and Nil for Company (31 Dec 2024: \$9,000 - Group & Nil for Company). The charge of expected credit losses arose from reassessment.

The Company had no expected credit loss provision as majority of the related party receivables relates to dividend. This is payable to the parent entity by its subsidiaries.

Notes to the Consolidated and Separate Financial Statements

20	Security deposit	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		\$'000	\$'000	\$'000	\$'000
	Security deposit	2,610	-	-	-
	Total	2,610	-	-	-

Security deposits were acquired through business combinations and relate to deposits made to guarantee gas supply obligations.

21	Right of use assets	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		\$'000	\$'000	\$'000	\$'000
	At 1 January	-	-	-	-
	Movements during the year	24,714	-	-	-
	Total	24,714	-	-	-

Right-of-use assets of \$24.7 million were acquired through business combinations and relate principally to leases of well drilling rigs and workover units used in upstream operations.

22	Prepayments	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		\$'000	\$'000	\$'000	\$'000
	Prepaid rent	74	1	-	-
	Prepaid expenses	30,405	2	-	-
	Prepaid insurance	632	215	-	6
	Total	31,111	218	-	6

23	Cash and cash equivalents	THE GROUP		THE COMPANY	
		31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		\$'000	\$'000	\$'000	\$'000
	Cash and bank balances	960,807	138,924	2,285	38,223
	Short term deposits	87,528	129,293	10,588	10,206
	Cash and cash equivalents for statement of cashflow purposes	1,048,335	268,217	12,873	48,429
	Restricted cash	16,495	6,777	-	-
	Total cash and cash equivalents	1,064,830	274,994	12,873	48,429

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months.

Restricted cash relates to cash used as collateral for the GT Bank loans as well as \$9m acquired from business combination. The Group/Company cannot withdraw or physically access the cash due to restrictions placed on the accounts by the banks.

Notes to the Consolidated and Separate Financial Statements

24 Share capital and premium

Share capital and premium – THE GROUP

Issue of Shares	Number of shares	Ordinary shares (\$'000)	Share premium (\$'000)	Total (\$'000)
Balance at 31 December 2024	4,344,844,360	19,316	78,955	98,271
Balance at 1 January 2025	4,344,844,360	19,316	78,955	98,271
- Issue of shares		-	-	-
Balance at 31 December 2025	4,344,844,360	19,316	78,955	98,271

Share capital and premium – THE COMPANY

Issue of Shares	Number of shares	Ordinary shares (\$'000)	Share premium (\$'000)	Total (\$'000)
Balance at 31 December 2024	4,344,844,360	19,316	78,955	98,271
Balance at 1 January 2025	4,344,844,360	19,316	78,955	98,271
- Issue of shares	-	-	-	-
Balance at 31 December 2025	4,344,844,360	19,316	78,955	98,271

Share premium represents the excess of the market value of the total issued share capital over the nominal value

	Number of shares	Amount (\$'000)
Authorised Share capital	4,344,844,360	19,316
Issued and fully paid-up	4,344,844,360	19,316

25 Borrowings

	THE GROUP		THE COMPANY	
	31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
GTB	282,980	31,994	-	-
IFC	37,847	-	-	-
Stanbic IBTC	247,968	-	-	-
BOI loan	468	3,066	-	-
N10B Series 1 Bond	6,468	7,255	6,468	7,255
Loans from related party	107	20,404	-	-
Petre IPINs	637	637	-	-
Standard Chartered Bank	819,898	-	-	-
Total	1,396,373	63,356	6,468	7,255
Current	305,804	36,119	-	-
Non-current	1,090,569	27,237	6,468	7,255
Total	1,396,373	63,356	6,468	7,255

Notes to the Consolidated and Separate Financial Statements

25 Borrowings (cont'd)

Guaranty Trust Bank Plc (GTB)

GT Bank loans comprise:

- 2 facilities: out of a US\$120million facility, a drawn amount of US\$84million and 10million which were secured in 2022 and 2023 respectively. The loans are repayable every quarter, starting from January 2023 (for the earliest facility) to August 2027 (for the most recent facility). The loans are secured by: all assets debenture on fixed and floating assets in the Ogbale Field; assignment and domiciliation of crude oil sales proceeds to GTB; charge over collection accounts and a corporate guarantee of Aradel Holdings Plc. for the full facility amount and interest thereon. Interest is payable at 11% per annum (Effective Interest Rate: 13.68% and 11.15%). The outstanding amount on the loan is US\$74million
- a corporate loan facility of \$340 million acquired from business combination. The loan has a maximum tenor of 7 years, ending June 2029. In 2025, \$158.48million (2024: \$126.52 million) was drawn down on the facility."

International Finance Corporation (IFC)

IFC loan of US\$40million facility was obtained in August 2025. It is repayable quarterly for 5 years (20230). Interest is payable is based on 3 month SOFR +5.5% Relevant spread per annum + Credit adjustment. The outstanding amount on the loan US\$40million. There is moratorium on principal repayment until 15th September 2026.

Stanbic IBTC

Stanbic IBTC loan of US\$250million is repayable quarterly, with a tenure of 5 years. The loans is secured by: all assets debenture on fixed and floating assets in the Ogbale Field; floating charge on the crude oil produced from the acreage operated by in OML 54, assignment and domiciliation of crude oil sales proceeds to Stanbic IBTC; charge over collection accounts and a corporate guarantee of Aradel Holdings Plc for the full facility amount and interest thereon. Interest is payable at a fixed margin of 6% plus SOFR. The outstanding amount on the loan is US\$250million.

Bank of Industry (BOI)

BOI loan also represents an additional \$10million facility from the Bank of Industry, obtained in February 2021. It is repayable monthly, over 5 years. It is secured by a Bank Guarantee from First City Monument Bank (FCMB). Interest is payable at 8% per annum (Effective Interest Rate: 6.81%) . The outstanding amount on the loan US\$0.5million

N10B Series I Bond

Aradel Holdings Plc secured a ₦10 billion Bond Issue in December 2022, part of a ₦20 billion bond series. The proceeds from this issuance are being deployed to finance essential NGN-denominated projects. The Bond Issue witnessed a 3.18% oversubscription, and proceeds were received by the Company in January 2023. The Bond is repayable bi-annually, starting from July 2025 to January 2028. A 2-years moratorium was granted on principal payments which lapsed in January 2025. Interest is payable at 17% per annum (Effective Interest Rate: 16.99%). The outstanding amount on the bond is ₦9.2billion

Loan from related party

The Loan from related party represents advances from ND Western Limited, an Associate. The loans partly funded the investment deposit in respect of the Shell Petroleum Development Company acquisition through the Renaissance SPV. The funding was directly provided to the Renaissance SPV in a carry arrangement, hence, no cash was received by Aradel. This is a short term facility, payable at an interest rate of 15%.

Notes to the Consolidated and Separate Financial Statements

25 Borrowings (cont'd)

Participating Investment Notes (Petre IPINs)

On 9th May 2003, by a Share Purchase Agreement ("SPA"), Aradel Holdings Plc acquired all the shares of Aradel Energy Limited of which the net consideration was paid to the then existing shareholders by issuing ordinary shares in Aradel Holdings of a total value of US\$ 2,113,738 at an agreed price of US\$ 0.30 per share and the issue of Irredeemable Participating Investment Notes of \$ 1.00 each to a value of US\$ 2,113,738 at an agreed price of \$1.00 per note. They are entitled to cashflow distributions.

Standard Chartered Bank

The debt facility, acquired as part of a business combination, comprises two tranches arranged with Standard Chartered Bank. The senior debt tranche consists of a US\$700 million facility bearing interest at SOFR plus 9% per annum, with a tenor of 5.5 years. The junior debt tranche amounts to US\$118 million, with interest rate of SOFR plus 12% per annum and a tenor of 7.0 years. The total debt facility amounts to US\$818 million.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

THE GROUP

31 December 2025

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
GTB	282,980	290,488	53,493	33,435	203,560	-
IFC	37,847	58,457	9,100	28,212	21,145	-
Stanbic IBTC	247,968	291,000	111,582	130,436	48,982	-
BOI loan	468	3,187	2,951	236	-	-
N10B Series 1 Bond	6,468	7,521	3,314	4,207	-	-
Loans from related party	107	-	-	-	-	-
Petre IPINs	637	-	-	-	-	-
Standard Chartered Bank	819,898	1,115,000	229,000	263,000	249,000	374,000
Total	1,396,373	1,765,653	409,440	459,526	522,687	374,000

31 December 2024

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
GTB	31,994	37,813	14,897	22,916	-	-
BOI loan	3,066	3,187	2,951	236	-	-
N10B Series 1 Bond	7,255	9,292	2,261	5,815	1,216	-
Loans from related party	20,404	20,404	20,404	-	-	-
Petre IPINs	637	637	637	-	-	-
Total	63,356	71,333	41,150	28,967	1,216	-

Notes to the Consolidated and Separate Financial Statements

25 Borrowings (cont'd)

THE COMPANY
31 December 2025

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
N10B Series 1 Bond	6,468	7,521	3,314	4,207	-	-
	6,468	7,521	3,314	4,207	-	-

31 December 2024

	Carrying amount	Gross Nominal outflow	Next 12 months	1-2 years	3-5 years	Over 5 years
N10B Series 1 Bond	7,255	9,292	2,261	5,815	1,216	-
	7,255	9,292	2,261	5,815	1,216	-

The carrying amounts and fair value of the borrowings are as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Carrying amount:				
Borrowings	1,396,373	63,356	6,468	7,255
Total	1,396,373	63,356	6,468	7,255
Fair value:				
Borrowings	1,399,618	63,695	6,503	7,244
Total	1,399,618	63,695	6,503	7,244

The fair values are based on cash flows discounted using a rate based on the current borrowing rate of 11% for GTB, 9% and 8% for BOI. They are classified as level 2 fair values in the fair value hierarchy.

Changes in liabilities arising from financing activities

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
At 1 January	63,356	69,423	7,255	12,377
Additional borrowing	351,000	-	-	-
Loans from related party	32,935	15,815	-	-
Repayment of principal	(76,841)	(21,923)	(1,130)	-
Repayment of interest	(17,552)	(6,383)	(1,150)	(1,172)
Foreign exchange movement	432	(7,256)	432	(5,219)
Accrued interest	17,612	14,019	1,096	1,258
Acquired in business combination	1,028,676	-	-	-
Remeasurements	(3,245)	(339)	(35)	11
At 31 December	1,396,373	63,356	6,468	7,255

Remeasurements are non-cashflow and relate to the effects of carrying borrowings at amortised cost using the effective interest rate method.

Notes to the Consolidated and Separate Financial Statements

26 Decommissioning liabilities

	THE GROUP	THE COMPANY
	\$'000	\$'000
Balance at 1 January 2024	72,451	-
	-	-
Charged/(credited) to profit or loss:		
Provision no longer required	(30,573)	-
Changes in estimated flows	(19,147)	-
Unwinding of discount due to passage of time	1,329	-
Balance at 31 December 2024	24,060	-
	-	-
Balance at 1 January 2025	24,060	-
Charged/(credited) to profit or loss:		
Changes in estimated flows	(7,623)	-
Acquired in business combination (Note 38)	997,052	-
Unwinding of discount due to passage of time	719	-
Balance at 31 December 2025	1,014,208	-

The Group makes full provision for the future cost of decommissioning oil & gas production facilities, refining facilities and pipelines on a discounted basis. The decommissioning provision represents the present value of decommissioning costs relating to these assets, which are expected to be incurred up to 2073. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made which Management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the assets cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain. Changes in estimate arise from the changes to the measurement inputs, which are inflation, discount rate, asset lifespan and cost estimates. The discount rate used in the calculation of the provision as at 31 December 2025 are; Oil 3.94% (31 December 2024 : 4.58%), Gas 4.84% (31 December 2024 : 4.78%), refining facilities 4.84% (31 December 2024 : 4.78%) . The inflation rate used in the calculation of the provision as at 31 December 2025 are; Oil 1.17 (31 December 2024: 2.95%), Gas 2.70% (31 December 2024: 2.95%), refining facilities 2.87 (31 December 2024: 2.95%) based on the US Dollar economic variables. Cost estimates were determined using activity based costing approach for 2025 and 2024. A reduction in decommissioning provisions is first adjusted against the asset (up to the present value of the liability). Any excess unabsorbed in PPE is released to P or L as provision no longer required.

Included in Decommissioning Liabilities is \$997 million acquired from business combination.

27 Contract Liabilities

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Down payments received	606	1,811	-	-
	606	1,811	-	-

Notes to the Consolidated and Separate Financial Statements

27 Contract Liabilities (cont'd)

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. This will exist when an entity has received consideration but has not transferred the related goods or services to the customer. The Group has recognised a liability in relation to contracts with refined products customers for the delivery of refined products which these customers are yet to receive but which cash consideration have been received by the Group as at the end of the reporting period.

For the purchase of refined products, the terms of payments relating to the contract with customers is advance payments. The refinery operates a 7-days sales cycle which includes product evacuation.

28 Trade, Share based payment and other payables

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Accruals	7,429	-	-	-
Amounts due to related parties	-	-	94	383
Royalty payable & Other Statutory payables	98,587	25,306	-	-
Sundry creditors	1,011,857	14,338	2,117	710
Staff Payable	-	14,576	-	-
Trade payables	551,523	24,126	-	-
Unclaimed dividend	682	357	682	357
	1,670,078	78,703	2,893	1,450

29 Lease Liability

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
At 1 January	-	-	-	-
Movements during the year	22,213	-	-	-
Total	22,213	-	-	-
Short term	22,213	-	-	-
Long term	-	-	-	-
Total	22,213	-	-	-

This represents lease contracts acquired through business combination. As at the end of the reporting period, the Group had four lease contracts in operation with maturities ranging from December 2025 to June 2026.

Notes to the Consolidated and Separate Financial Statements

30 Pensions & similar obligations

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
At 1 January				
Acquired from business combination	25,574	-	-	-
Total	25,574	-	-	-

This relates to defined benefit obligation arising through business combinations, comprising employee gratuity benefits and legacy Shell retiree medical plan benefits.

31 Environmental & legal provisions

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
At 1 January				
Movements during the year	38,529	-	-	-
Total	38,529	-	-	-

32 Contingent Consideration

	THE GROUP		THE COMPANY	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	\$'000	\$'000	\$'000	\$'000
Contingent Consideration	989,373	-	-	-
Total	989,373	-	-	-

The contingent consideration arose from the acquisition of ND Western Limited and Renaissance Africa Energy Company Limited and has been recognised as part of the provisional purchase price allocation for the business combination. The amount represents management's provisional estimate of the acquisition-date fair value of amounts that may become payable under the acquisition agreements.

The purchase price allocation remains provisional because the acquisition was completed on 31 December 2025, being the Group's reporting date, and the Group had not obtained all information necessary to finalise the valuation of the contingent consideration by the date, these financial statements were authorised for issue. The Group expects to finalise the valuation of the contingent consideration within the IFRS 3 measurement period, which will not exceed one year from the acquisition date. Any measurement period adjustments arising from new information about facts and circumstances that existed at the acquisition date will be accounted for retrospectively as part of the finalisation of the purchase price allocation."

Notes to the Consolidated and Separate Financial Statements

33	Taxation	THE GROUP		THE COMPANY	
		31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
	Hydrocarbon tax	5,689	7,073	-	-
	Income tax expense	39,597	17,695	-	-
	Minimum Tax	-	634	-	-
	Education tax	4,957	5,428	-	-
	Under/(Over) provision of prior year taxes	914	(6,142)	-	-
	Amount of previously unused tax losses	-	-	-	-
	NASENI & NPTF levy	308	-	-	-
	Total current tax	51,425	24,688	-	-
	Deferred taxation				
	Origination of temporary differences	1,453	14,306	-	-
	Total deferred tax	1,453	14,306	-	-
	Income tax expense	52,878	38,994	-	-

The Company did not incur corporate tax or minimum tax for the current and prior year, as it had no revenue. Its other income primarily comprises franked investment income, which has been subjected to withholding tax (WHT) as a final tax.

The movement in the current and petroleum income tax liability is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
At 1 Jan	23,059	16,035	-	643
Tax paid	(30,567)	(17,701)	-	(628)
Prior period under/(over) provision	41	(6,142)	-	-
Income tax charge for the year	50,203	30,830	-	-
Acquired in business combination (Note 38)	158,282	-	-	-
Foreign Exchange	-	37	-	(15)
At 31 December	201,018	23,059	-	-
Reconciliation of effective tax rate				
	THE GROUP		THE COMPANY	
	31-Dec-25 \$'000	31-Dec-24 \$'000	31-Dec-25 \$'000	31-Dec-24 \$'000
Profit before income tax	291,482	214,091	92,923	112,841
Income tax using the weighted average domestic corporation tax rate	96,189	70,650	27,877	33,852
Non-taxable income	(54,095)	(24,363)	(27,877)	(33,852)
Disallowed expenses	17,460	5,334	-	-
Tax incentives	(12,547)	(12,547)	-	-
Minimum Tax	-	634	-	-
Education tax	4,957	5,428	-	-
(Over)/Under provision in prior years	914	(6,142)	-	-
Total income tax expense in income statement	52,878	38,994	-	-
Effective tax rate	18%	18%	0%	0%

Notes to the Consolidated and Separate Financial Statements

34 Investment in subsidiaries

Aradel Holdings Plc ('the parent') controls the following subsidiaries:

		31-Dec-25	31-Dec-24
	Ownership interest	\$'000	\$'000
Aradel Energy Limited	100%	300	300
Aradel Investments Limited	100%	4,097	4,097
Aradel Refineries Limited	95.04%	46,894	46,894
Aradel Gas Limited	100%	64	64
		51,355	51,355

Other subsidiaries controlled by Aradel Holdings Plc include ND Western Limited (81.667%) and Renaissance Africa Energy Holding Limited (53.3%) which are only consolidated at the Group. The stated ownership percentages reflect the Group's effective interests, taking into account both direct and indirect holdings, and are consolidated only at the Group level.

35 Related party disclosures

Year-end balances arising from sales/purchases of goods/services - THE GROUP

	31-Dec-25	31-Dec-24
	\$'000	\$'000
<i>Payables to related parties</i>		
ND Western Limited	107	20,404

Year-end balances arising from sales/purchases of goods/services - THE COMPANY

	31-Dec-25	31-Dec-24
	\$'000	\$'000
<i>Receivables from related parties</i>		
Aradel Energy Limited	133,294	100,838
Aradel Gas Limited	78,261	13,218
Aradel Refineries Limited	-	9,395
Aradel Investments Limited	22	
Total	211,577	123,451
<i>Payables to related parties</i>		
Aradel Investments Limited	-	(383)
Aradel Refineries Limited	(94)	-
Total	(94)	(383)
Net Total	211,483	123,068

36 Commitments

As at 31 December 2025, the capital commitments in respect of PPE expenditures amounts to \$36.0 million (2024: \$29.5 million).

37 Contingencies

The Group has contingent liabilities in respect of legal suits against Aradel Energy Limited as the operator of the Ogbele oil field. The possible liabilities from these cases amount to \$507 million (2024: \$1,330 million). These have not been incorporated in these financial statements. The directors on the advise of the Group's solicitors are of the opinion that the Group will not suffer any loss from these claims.

38 Fair value reserve

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

39 Non-Controlling Interest

Non-Controlling Interests represent the effective ownership interests held outside the Group, comprising a 5.02% stake in Aradel Refineries Limited, an 18.33% stake in ND Western Limited, and a 46.67% stake in Renaissance Africa Energy Holding Company Limited. The ownership percentages have been determined after considering both the Group's direct and indirect interests in the respective entities

Notes to the Consolidated and Separate Financial Statements

40 Business Combination

On 31 December 2025, the Group announced that its wholly-owned subsidiary, Aradel Energy Limited, successfully completed the acquisition of an additional 40% equity interest in ND Western Limited ("NDW"), following the fulfilment of all regulatory and contractual conditions precedent. This acquisition results in the Group obtaining control over NDW in accordance with IFRS 10 Consolidated Financial Statements. Prior to the acquisition, the Aradel held 41.67% equity interest in ND Western Limited, which was accounted for as an investment in associate. With the completion of the transaction, Aradel's shareholding interest in NDW increased from 41.67% to 81.67%, and NDW has become a subsidiary of Aradel Energy Limited.

The acquisition also results in a material increase in Aradel's aggregate shareholding in Renaissance Africa Energy Company Limited, increasing its total indirect ownership in the company from 33.3% to 53.3%. The acquisition has been accounted for using the acquisition method in accordance with IFRS 3 Business Combinations."

Assets Acquired and Liabilities Assumed

The identifiable assets acquired and liabilities assumed were recognized at their provisional fair values as at the acquisition date:

	NDW \$'000	RAEC \$'000
Assets:		
Oil and gas properties	617,954	2,470,637
Other property, plant and equipment	-	-
Intangible assets	17,900	-
Deferred tax assets	116,793	501,019
Investment in associates	318,328	-
Right of use assets	-	24,714
Inventory	-	34,211
Security deposit	2,610	-
Trade and other receivables	121,758	1,261,978
Other assets	899	-
Prepayments	310	29,860
Cash and cash equivalents	144,881	749,693
Restricted cash	-	8,690
	1 341 432	5,080,802
Liabilities:		
Borrowings	(208,778)	(819,898)
Asset retirement obligations	(113,478)	(883,574)
Deferred consideration	-	(989,373)
Pensions & similar obligations	-	(25,574)
Environmental & legal provisions	-	(38,529)
Trade and other payables	(94 192)	(1,480,453)
Lease liability	-	(22,213)
Current tax liabilities	(9,868)	(148,414)
	(426,316)	(4,408,028)
Total identifiable net assets at fair value	915,117	672,774

The net assets recognised in the 31 December 2025 financial statements were initially determined based on their book values as at the acquisition date. These carrying amounts are subject to ongoing fair value assessment in accordance with IFRS 3 requirements. Any adjustments arising from the completion of the purchase price allocation exercise within the measurement period will be reflected prospectively and may impact the measurement of goodwill or any gain on bargain purchase recognised in the financial statements.

Notes to the Consolidated and Separate Financial Statements

40 Business Combination (cont'd)

Summary of acquisition:	\$'000
Book value of previously held equity stake as at 31st December 2025 (NDW: 41.67% & RAEC 12.5%)	
Carrying amount as at 1st January 2025	319,131
Investment during the year	62,500
2025 share of profit in associate	72,188
Dividend	(8,747)
Book value as at 31st December 2025	445,072
Impairment Computation	
Cost of 40% investment	300,000
40% Grossed up	750,000
Investment in Associate @ 41.67%	312,503
Book value of previously held equity stake as at 31st December 2025	382,572
Remeasurement Gain/(Loss)	(70,069)
Goodwill/Bargain Purchase Computation	
Transfer Consideration	300,000
Book value of previously held equity stake as at 31st December 2025	375,003
NCI FV @ acquisition	451,458
	1,126,461
Net asset @ acquisition	(1,269,563)
Gain on bargain purchase	(143,102)

The gain on bargain purchase represents the excess of the fair value of the net identifiable assets acquired over the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previously held equity interest in the acquired entity. The gain on bargain purchase recognised from NDW and RAEC as at 31 December is provisional as the Group has twelve months from the acquisition date to complete all assessments. The purchase price allocation is yet to be completed at the time of this report. This is as a result of the complexities surrounding the allocation and the expertise as well as time required for the allocation.

Non-controlling Interests

Where applicable, non-controlling interests were measured at fair value of proportionate share of net identifiable assets

Acquisition-related Costs

Transaction costs incurred in connection with the acquisitions amounted to \$6million and have been expensed in General and administrative expenses in the statement of profit or loss

Post-acquisition results

The Group obtained control of the subsidiary on 31 December 2025, which is the reporting date. Accordingly, there are no post-acquisition profits or losses recognised in the consolidated financial statements for the period, as there has been no period between the acquisition date and the reporting date.

Notes to the Consolidated and Separate Financial Statements

	2025
	\$'000
40.1 Net cash flow arising from acquisition of subsidiaries:	
Cash consideration paid for acquisition of ND Western Limited	(300,000)
Cash consideration paid / Investment in Renaissance	(13,750)
Total cash consideration paid	(313,750)
Cash and cash equivalents acquired	894,5734
Net cash inflow on acquisition of subsidiaries	580,8243

Cash consideration paid / Investment in Renaissance represents Aradel's direct cash investment in Renaissance Africa Energy Holdings Limited which amounts to \$13.7 million out of a total consideration of \$62.5 million. The remaining \$48.8 million was funded indirectly through ND Western Limited (an associate), with funds advanced directly to the Renaissance SPV for the SPDC acquisition deposit. The advances are recognised as a short-term related party loan. See (Note 25) for more details.

41 Events after the reporting period

There was no event after the reporting date that could have had material effect on the financial position of the Group and the Company at 31 December 2025 and on the profit for the year ended on that date that have not been taken into account in these consolidated and separate financial statements.